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ORIGINAL
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CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

LA VELDA SINGLETON dba LOVE AND
CARE PRESCHOOL,

Plaintiff,

vs.

TRAVELERS INDEMNITY COMPANY OF
CONNECTICUT; ALLYSON DELGADO;
UREN HARRISON KENNEDY INSURANCE
AGENCY; CHRIS MORTON; HOHBACH-
LEWIN INC.; ISAM HASENIN; MURAT
ZILINKI; WALTER SPRINGS
CONSTRUCTION; TEXTRON FINANCIAL;
BANK OF THE WEST; and DOES 1-30,

Defendants.

Case No.:

NOTICE OF REMOVAL BY THE
TRAVELERS INDEMNITY COMPANY
OF CONNECTICUT

The Travelers Indemnity Company of Connecticut hereby petitions for the removal of the action titled La Velda Singleton v. Travelers Indemnity Company of Connecticut, et al., originally filed in the Superior Court for the State of California for the County of Alameda as Case No. RG 08371914.

INTRADISTRICT ASSIGNMENT

Pursuant to L.R. 3-2(c-d), this action is assignable to the San Francisco Division or the Oakland Division, because the action is being removed from the County of Alameda, where a substantial part of the events or omissions which give rise to the claim occurred and where the property that is the subject of the action is located.

STATEMENT OF SUBJECT MATTER JURISDICTION

This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1441(b) (removal jurisdiction) and 28 U.S.C. § 1332 (diversity jurisdiction).

1. **COMPLETE DIVERSITY OF CITIZENSHIP:** There is complete diversity of citizenship between plaintiff and the *properly-joined* defendants.

Plaintiff La Velda Singleton ("SINGLETON"), a natural person, was a citizen of the State of California on February 19, 2008 when the Complaint was filed. SINGLETON has continued to be a citizen of California through the date of the filing of this Notice of Removal. At all relevant times, SINGLETON has been domiciled in California. At all relevant times, SINGLETON has resided in California with the intent to remain in California.

Defendant Travelers Indemnity Company of Connecticut ("TRAVELERS"), a corporation, was a citizen of the State of Connecticut on February 19, 2008 when the Complaint was filed. TRAVELERS has continued to be a citizen of Connecticut through the date of the filing of this Notice of Removal. At all relevant times, TRAVELERS has been incorporated under the laws of Connecticut. At all relevant times, TRAVELERS' principal place of business has been in Hartford, Connecticut. TRAVELERS' main administrative office is in Hartford, Connecticut. TRAVELERS' primary executive and administrative functions are conducted in Hartford, Connecticut. TRAVELERS has more officers, employees, and tangible assets in Hartford, Connecticut than it does in California.

Pursuant to the "fraudulent joinder" (aka "sham defendant") doctrine (*Caterpillar Inc. v. Lewis*, 519 U.S. 61 (1996); *McCabe v. Gen. Foods Corp.*, 811 F.2d 1336 (9th Cir. 1987)), the citizenship of defendant Allyson Delgado ("DELGADO"), a natural person, must be disregarded and DELGADO must be dismissed from the case. DELGADO is fraudulently

1 joined and is thus a sham defendant because there is no possibility that SINGLETON will be
2 able to establish a cause of action against her. SINGLETON cannot possibly establish a cause
3 of action against DELGADO because, *inter alia* and without limitation, (1) SINGLETON's
4 purported cause of action against her (see Complaint, Sixth Cause of Action, "Intentional
5 Infliction of Emotional Distress") is barred by the applicable statute of limitations (CCP §
6 335.1; Cantu v. Resolution Trust Corp., 4 Cal. App. 4th 857 (1992)), in that DELGADO's
7 alleged conduct and SINGLETON's alleged resulting extreme emotional distress occurred more
8 than two years before the Complaint was filed; and (2) as a matter of law, DELGADO's alleged
9 conduct was not "outrageous" under the standard set by the California Supreme Court in
10 Christensen v. Superior Court, 54 Cal. 3d 868 (1991).

11 Also pursuant to the "fraudulent joinder" (aka "sham defendant") doctrine, the
12 citizenship of defendant Uren Harrison Kennedy Insurance Agency ("UREN"), a corporation,
13 must be disregarded and UREN must be dismissed from the case. UREN is fraudulently joined
14 and is thus a sham defendant because there is no possibility that SINGLETON will be able to
15 establish a cause of action against it. SINGLETON cannot possibly establish a cause of action
16 against UREN because, *inter alia* and without limitation, SINGLETON's purported cause of
17 action against UREN (see Complaint, Seventh Cause of Action, "Negligence") is barred by the
18 applicable statute of limitations (CCP § 339(1); Hydro-Mill Co., Inc. v. Hayward, Tilton and
19 Rolapp Ins. Assoc. Inc., 15 Cal. App. 4th 1145 (2004)), in that all of UREN's alleged conduct
20 occurred more than two years before the Complaint was filed, and the Complaint does not allege
21 any "delayed discovery" that might arguably have tolled the running of the statute to within two
22 years.

23 Also pursuant to the "fraudulent joinder" (aka "sham defendant") doctrine, the
24 citizenship of defendants Chris Morton, a natural person, Hohback-Lewin Inc., a corporation,
25 Isam Hasenin, a natural person, Murat Zilinki, a natural person, and Walter Springs
26 Construction, a corporation (collectively, "the CONSULTANTS") must be disregarded and the
27 CONSULTANTS must be dismissed from the case. The CONSULTANTS are fraudulently
28 joined and are thus a sham defendants because there is no possibility that SINGLETON will be

able to establish a cause of action against them. SINGLETON cannot possibly establish a cause of action against the CONSULTANTS because, *inter alia* and without limitation, (1) SINGLETON's purported cause of action against them (see Complaint, Eighth Cause of Action, "Civil Aiding and Abetting" of TRAVELERS' alleged tort of bad faith) is invalid under Gruenberg v. Aetna Ins. Co., 9 Cal. 3d 566 (1973), Doctors' Co. v. Superior Court, 49 Cal. 3d 39 (1989), and Sanchez v. Lindsey Morden Claims Services, Inc., 72 Cal. App. 4th 249 (1999); (2) even if somehow valid, the purported cause of action is barred by the applicable statute of limitations (CCP § 339(1); Love v. Fire Ins. Exch., 221 Cal. App. 3d 1136 (1990); (3) as a matter of law, the CONSULTANTS' alleged conduct was not tortious; and (4) as a matter of law, some or all of the CONSULTANTS' alleged conduct was not the proximate cause of SINGLETON's alleged damages.

Also pursuant to the "fraudulent joinder" (aka "sham defendant") doctrine, the citizenship of defendant Bank of the West, a corporation ("BANK OF THE WEST") must be disregarded and BANK OF THE WEST must be dismissed from the case. BANK OF THE WEST is fraudulently joined and is thus a sham defendant because there is no possibility that SINGLETON will be able to establish a cause of action against it. SINGLETON cannot possibly establish a cause of action against BANK OF THE WEST because, *inter alia* and without limitation, SINGLETON's purported cause of action against it (see Complaint, Ninth Cause of Action, "Breach of Contract and the Implied Covenant of Good Faith and Fair Dealing") fails to state a valid cause of action against BANK OF THE WEST because BANK OF THE WEST did not acquire any rights or obligations under SINGLETON's mortgage agreement until after TRAVELERS made the payment alleged in ¶¶ 114-115; BANK OF THE WEST never had care, custody or control of that payment or any other payment; and thus, BANK OF THE WEST did not in fact apply any insurance payment to the outstanding loan balance.¹

¹ Even if BANK OF THE WEST had applied an insurance payment to the outstanding loan balance, such a fact would not support a cause of action for breach of contract because the alleged mortgage agreement expressly grants the lender the unequivocal right to apply insurance proceeds to the outstanding loan balance. Nor would it support a cause of action for breach of the implied covenant, because as explained by the California Supreme Court, the implied

Defendant Textron Financial ("TEXTRON"), a corporation, was a citizen of the State of Delaware and/or the State of Georgia and/or the State of Rhode Island on February 19, 2008 when the Complaint was filed. TEXTRON has continued to be a citizen of Delaware and/or Georgia and/or Rhode Island through the date of the filing of this Notice of Removal. At all relevant times, TEXTRON has been incorporated under the laws of Delaware. At all relevant times, TEXTRON's principal place of business has been in Georgia and/or Rhode Island.²

TEXTRON is fraudulently joined and is thus a sham defendant because there is no possibility that SINGLETON will be able to establish a cause of action against it. SINGLETON cannot possibly establish a cause of action against TEXTRON because, *inter alia* and without limitation, (1) SINGLETON's *purported* cause of action against it (see Complaint, Ninth Cause of Action, "Breach of Contract and the Implied Covenant of Good Faith and Fair Dealing") fails to state a valid cause of action against TEXTRON under California law, in that the alleged mortgage agreement expressly grants the lender the unequivocal right to apply insurance proceeds to the outstanding loan balance, and the implied covenant of good faith and fair dealing does not override, supersede, qualify or limit that express provision (Carma Developers (Cal.), Inc. v. Marathon Development California, Inc., 2 Cal. 4th 342 (1992)).

For purposes of removal jurisdiction, the citizenship of the fictitious defendants identified in the Complaint as "DOES 1-10" must be disregarded. 28 U.S.C. § 1441(b).

2. **AMOUNT IN CONTROVERSY**: The amount in controversy between plaintiff and each *properly-joined* defendant exceeds the jurisdictional minimum of this Court (\$75,000).

As to TRAVELERS. The Complaint alleges that as a result of a fire, SINGLETON suffered a loss of real property in the amount of \$750,000 (Complaint, ¶ 27); a loss of personal property in the additional amount of \$750,000 (Complaint, ¶ 28); and in

covenant of good faith and fair dealing does not override, supersede, qualify, or limit express contractual provisions. Carma Developers (Cal.), Inc. v. Marathon Development California, Inc., 2 Cal. 4th 342 (1992).

² Even if TEXTRON were a citizen of California, pursuant to the "fraudulent joinder" (aka "sham defendant") doctrine, the citizenship of TEXTRON would be disregarded and TEXTRON would be dismissed from the case. See note 1, ante.

1 additional a business loss of \$200,000 (Complaint, ¶ 28.) The Complaint alleges that
2 TRAVELERS has only paid SINGLETON the sum of \$131,846.41 against such alleged losses.
3 (Complaint, ¶ 114.) SINGLETON alleges that as a result of TRAVELERS' alleged breach of
4 contract, she has suffered damages in the amount of \$1.7 million, plus prejudgment interest.
5 SINGLETON also seeks to recover from TRAVELERS alleged attorneys' fees, damages for
6 emotional distress, and punitive damages.

7 As to TEXTRON. Although TEXTRON is arguably a sham defendant and must
8 therefore be disregarded for purposes of jurisdictional inquiry,³ if necessary the amount in
9 controversy requirement is satisfied with respect to TEXTRON as well. The Complaint alleges
10 that as the result of TEXTRON's allegedly wrongful conduct, SINGLETON lost the use of
11 \$131,846.41. (Complaint, ¶¶ 114-115, 121.) The Complaint further alleges that as a result of
12 her loss of use of said funds, SINGLETON will be unable to repair the insured dwelling and
13 will therefore forfeit additional benefits that foreseeably would have been available under
14 TRAVELERS' policy had she been able to repair. (Complaint, ¶ 124.) The additional benefits
15 to which she refers are benefits for replacement cost value and increased costs of construction
16 due to ordinances or laws—benefits that are not payable under the policy unless or until the
17 insured actually replaces the damaged property. In communications with TRAVELERS and in
18 an appraisal hearing, Singleton has asserted that the additional benefits to which she would have
19 been entitled (had she actually replaced property) would have exceeded \$250,000.

20 3. **TIMELINESS:** This petition for removal is timely because TRAVELERS was
21 served with the Complaint and Summons on March 13, 2008. Defendants DELGADO, Chris
22 Morton, Murat Zilinki, TEXTRON, and BANK OF THE WEST have not been served.
23 Defendants UREN, Hohback-Lewin Inc., Isam Hasenin, and Walter Springs Construction
24 appear to have been served, but because they are all sham defendants, they are irrelevant to the
25 Court's jurisdiction; and in any event, none of them was served before March 12, 2008.

26
27
28

³ See notes 1 and 2, ante.

JOINDER OF ALL SERVED AND PROPERLY JOINED DEFENDANTS

It is not required that any defendant join with TRAVELERS and consent to removal. Removal requires the consent only of parties that have been served and that are properly joined. 28 Farias v. Bexar County, 925 F.2d 866, 871 (5th Cir. 1991). Defendants DELGADO, Chris Morton, Murat Zilinki, TEXTRON, and BANK OF THE WEST have not been served. Defendants UREN, Hohback-Lewin Inc., Isam Hasenin, and Walter Springs Construction appear to have been served, but because they are sham defendants and would not be parties to this action if the Court exercises jurisdiction, their consent is not required.

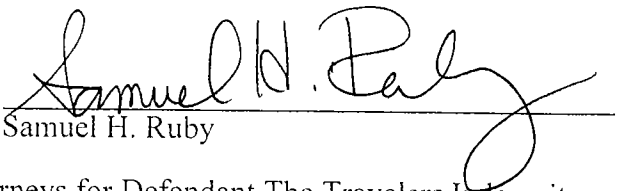
FILING OF STATE COURT PLEADINGS

Attached hereto as Exhibit A are copies of all state court pleadings and orders known to TRAVELERS to exist. TRAVELERS shall promptly give notice of this Notice for Removal to the state court in which the action was filed.

DATED: April 7, 2008

BULLIVANT HOUSER BAILEY PC

By


Samuel H. Ruby

Attorneys for Defendant The Travelers Indemnity
Company of Connecticut

10492776.1

EXHIBIT A

EXHIBIT A

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ENDORSED
FILED
ALAMEDA COUNTY

FEB 19 2008

ATTORNEYS FOR PLAINTIFF
LA VELDA SINGLETON
dba LOVE AND CARE PRESCHOOL

CLERK OF THE SUPERIOR COURT
By P. Bir Deputy

SUPERIOR COURT OF CALIFORNIA

COUNTY OF ALAMEDA – UNLIMITED JURISDICTION

LA VELDA SINGLETON dba LOVE
AND CARE PRESCHOOL, an individual,

Case No. HC 08371914

Plaintiff,

COMPLAINT AND DEMAND FOR
JURY TRIAL

v.

TRAVELERS INDEMNITY COMPANY
OF CONNECTICUT, a corporation;
ALLYSON DELGADO, an individual;
UREN HARRISON KENNEDY
INSURANCE AGENCY, a corporation;
CHRIS MORTON, an individual;
HOHBACK-LEWIN INC. a corporation;
ISAM HASENIN, an individual; MURAT
ZILINKI, an individual; WALTER
SPRINGS CONSTRUCTION, a
corporation; TEXTRON FINANCIAL, a
corporation; BANK OF THE WEST, a
corporation; and DOES 1-30,

Defendants.

La Velda Singleton dba Love and Care Preschool alleges as follows:

FIRST CAUSE OF ACTION FOR REFORMATION
AGAINST TRAVELERS AND DOES 1-30

1. At all relevant times, Plaintiff was an individual residing at 1475 Spring Valley Common, Livermore, CA 94551, and the owner of the building located at 8010 Holanda Lane, Dublin, California (the “insured building”) and proprietor of the Love and Care Preschool, a preschool being operated from the insured building (“the preschool”).

1 2. At all relevant times, Travelers Indemnity Company of Connecticut, also
2 known as St. Paul Travelers Insurance ("Travelers") was a corporation in the business of
3 writing property insurance in California.

4 3. At all relevant times, Plaintiff was unaware of the identity and/or capacity
5 of Defendants Does 1-30.

6 4. At all relevant times and in doing the things herein stated, the named
7 Defendants and Does 1-30 were the employees, officers, directors, agents, affiliates or
8 representatives of one another and were acting within the course and scope of their
9 authority.

10 5. At all relevant times, Travelers and Does 1-30 had in full force and effect
11 their written policy of insurance, number X-660-333X 9953-TCT03, that provided
12 coverage for the insured building, its contents and for the loss of income and extra
13 expense that might be sustained because a covered peril made the insured building
14 uninhabitable.

15 6. Plaintiff obtained a certified copy of Travelers' and Does 1-30's policy of
16 insurance in, and attaches a true and correct copy hereto as Exhibit A.

17 7. On or about November 17, 2004, a fire damaged and destroyed the insured
18 building, its contents making it uninhabitable and usable as a preschool.

19 8. Plaintiff provided prompt notice of the loss and damage to Travelers and
20 Does 1-30.

21 9. At all relevant times, Uren Harrison Kennedy Insurance Agency ("Uren")
22 was a corporation in the business of selling property insurance in California and the agent
23 of Travelers and Does 1-30.

24 10. From 1982 until the fire, Plaintiff obtained her insurance exclusively from
25 Uren.

26 11. At the time Plaintiff applied for insurance for the insured building, and at
27 various times there after, the agents, employees, officers and representatives of Uren
28 stated that they had the skill, experience and expertise to obtain the kind and the amount

1 of insurance that Plaintiff would need to protect her interests against physical loss which
2 might occur to the insured building, its contents and for loss of profit and extra expenses
3 caused by the interruption of Plaintiff's business should the insured building become
4 uninhabitable.

5 12. From 1982 to the time of the fire, Uren, Travelers and Does 1-30 routinely
6 inspected and considered the insurance needed for the insured building, its contents and a
7 potential interruption in Plaintiff's preschool should the insured building become
8 uninhabitable.

9 13. Plaintiff answered all of the questions submitted to her by Uren, Travelers
10 and Does 1-30 truthfully.

11 14. At all relevant times, Uren, Travelers and Does 1-30 stated that the
12 insurance issued by Travelers and Does 1-30 was sufficient in amount and kind to protect
13 Plaintiff's financial interests should an insured peril cause a complete loss of the building
14 and its contents.

15 15. At all relevant times, Uren, Travelers and Does 1-30 stated that the
16 insurance issued by Travelers and Does 1-30 covered the loss of income and extra
17 business expense that Plaintiff might sustain in the event an insured peril destroyed the
18 building making it uninhabitable.

19 16. In 2000, when Plaintiff purchased the insured building, Uren, Travelers and
20 Does 1-30 represented that they had obtained the necessary kinds and amounts of
21 insurance to protect Plaintiff's financial interests should an insured peril cause a complete
22 loss of the building, its contents and render the insured building uninhabitable.

23 17. At all relevant times, Uren, Travelers and Does 1-30 and Plaintiff agreed
24 that the written policy of insurance to be issued would protect the Plaintiffs financial
25 interests should an insured peril cause the complete loss of the building and content and
26 rendered the building uninhabitable. This was the "Agreement" between the parties.

27 18. At the time Plaintiff received Travelers' and Does 1-30's policy of property
28 insurance, Uren, Travelers and Does 1-30 represented that Travelers' and Does 1-30's

1 policy of property insurance reflected the Agreement between Plaintiffs and these
2 Defendants.

3 19. After the fire occurred, Uren, Travelers and Does 1-30 claimed that their
4 liability to Plaintiffs was limited to the terms set forth in Travelers' and Does 1-30's
5 written policy of property insurance, but unlike the Agreement between Plaintiff and
6 Uren, Travelers and Does 1-30, the policy of property insurance issued by Travelers and
7 Does 1-30 did not provide the promised coverage for the insured building, its contents or
8 provide for loss of income and extra expense incurred because the insured building
9 became uninhabitable.

10 20. Due to misrepresentations of Uren, Travelers and Does 1-30 or due to the
11 mutual mistake of Uren, Travelers, Does 1-30 and Plaintiff or due to Plaintiff's mistake
12 about which Uren, Travelers and Does 1-30 knew or suspected, Travelers' and Does 1-
13 30's policy of property insurance did not reflect the Agreement.

14 21. As a direct and proximate result of the foregoing, Travelers and Does 1-30
15 failed and refused to pay the full amount necessary to repair and replace the insured
16 building, including code requirements, Plaintiff's personal property or Plaintiff's loss of
17 income and extra expenses.

18 22. Plaintiff requests that the court reform Travelers' and Does 1-30's policy of
19 property insurance to reflect the Agreement between Plaintiff and Travelers.

20
21 **SECOND CAUSE OF ACTION**
22 **BREACH OF THE CONTRACT OF INSURANCE**
23 **AGAINST TRAVELERS AND DOES 1-30**

24 23. Plaintiff hereby incorporates paragraphs 1-22 by reference as though fully
25 set forth in this Second Cause of Action against Travelers and Does 1-30.

26 24. After the fire, Plaintiff provided Travelers and Does 1-30 proof of loss and
27 damage to the insured building, its contents and for her loss of income and extra expense.

28 25. After the fire, Plaintiff fulfilled all the conditions set forth in Travelers' and
Does 1-30's written policy of insurance.

1 26. As a direct and proximate result of the fire, the insured building was
2 damaged and destroyed in the approximate amount of \$750,000, the actual amount to be
3 determined at trial.

4 27. As a direct and proximate result of the fire, the content of the insured
5 building was damaged and destroyed in the approximate amount of \$750,000, the actual
6 amount to be determined at trial.

7 28. As a direct and proximate result of the fire, the insured building was
8 rendered uninhabitable, interrupting the preschool's operations and causing a loss of
9 income and increased business expense in the approximate amount of \$200,000; the
10 actual amount to be determined at trial.

11 29. In breach of the contract of insurance as written and/or as reformed by this
12 Court, Travelers and Does 1-30 failed and refused to pay Plaintiff her losses as measured
13 by the diminution in value and the replacement costs of her insured building.

14 30. In breach of the contract of insurance as written and/or as reformed by this
15 Court, Travelers and Does 1-30 failed and refused to pay Plaintiff her loss as measured
16 by the diminution in value and the replacement cost of her personal property in the
17 insured building.

18 31. In breach of the contract of insurance as written and/or as reformed by this
19 Court, Travelers and Does 1-30 failed and refused to pay Plaintiff for her loss of income
20 and additional business expenses incurred because the fire rendered her preschool
21 uninhabitable.

22 32. As a direct and proximate result of Travelers' and Does 1-30's breach of
23 contract, Plaintiff sustained losses approximated at \$1.7 million, the actual amount to be
24 determined at trial.

25 33. As a direct and proximate result of Travelers' and Does 1-30's breach of
26 contract, Plaintiff sustained foreseeable consequential damages in an amount to be
27 determined at the trial.
28

1 34. The damages are certain or capable of being made certain and Plaintiff seeks
2 prejudgment interest.

3
4 **THIRD CAUSE OF ACTION**
5 **BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING**
6 **AGAINST TRAVELERS AND DOES 1-30**

7 35. Plaintiff hereby incorporates paragraphs 1-34 by reference as though fully
8 set forth in this Third Cause of Action against Travelers and Does 1-30.

9 36. At all relevant times, Murat Zilinki was an individual in the business of
10 preparing fire damage appraisal estimates.

11 37. At all relevant times, Snow Construction was a corporation in the business
12 of preparing fire damage appraisal estimates.

13 38. Under the terms of Travelers' and Does 1-30's written policy of insurance
14 and/or the Agreement as reformed by this Court, Travelers and Does 1-30 agreed that
15 they would pay Plaintiff the diminution of the market value and the replacement cost
16 value of the insured building and the personal property in the building in the event of
17 their destruction by fire, and that Travelers and Does 1-30 would pay for the loss of
18 income and the increase of businesses expenses that resulted from a business interruption
19 resulting from a fire causing the insured building to become uninhabitable.

20 39. In every insurance policy there is an implied obligation of good faith and
21 fair dealing that the insurance company will do nothing to prevent the right of the
22 policyholder to receive the benefits of the agreement.

23 40. In breach of the terms of Travelers' and Does 1-30's written policy of
24 insurance and/or the Agreement as reformed by this Court, Travelers and Does 1-30
25 failed and refused to pay Plaintiff the reasonable cost to repair and replace the insured
26 building, personal property, the loss of income and the increase in expenses for which the
27 insurance provided in the event of a covered peril.

28 41. Travelers and Does 1-30 breached of the covenant of good faith and fair
 dealing as follows:

1 • misrepresented pertinent facts about the loss to avoid liability under the
2 policy of insurance by, among other things, concealing estimates of contractors whose
3 estimates were greater than the estimate submitted by Zilinki and Snow Construction
4 with the intent and purpose of paying Plaintiff an amount less than the reasonable amount
5 due under the policy of insurance to repair and replace the insured building and its
6 contents;

7 • refused to explain to Plaintiff the restrictions that applied to Travelers'
8 \$50,000 advance;

9 • had Chris Morton, an engineer, alter and falsify a written report so that
10 Travelers could avoid paying for code requirements, a coverage Plaintiff was entitled to
11 receive under the policy of insurance;

12 • misrepresented the meaning of pertinent provisions in the policy of
13 insurance by, among other things, denying liability for Plaintiff's covered losses on the
14 ground that she failed to sign her examination under oath;

15 • misrepresented the coverage under its policy of insurance by, among other
16 things, claiming that Plaintiff was not entitled to building code changes covered by the
17 policy of insurance, unreasonably categorizing non-code related repairs as code related
18 repairs, and claiming that Plaintiff was not entitled to the replace the insured building's
19 shower because she was not using it as a shower at the time of loss;

20 • unreasonably claiming they made a thorough investigation when in fact the
21 investigation they made was for the purpose of denying the claim and limiting their
22 liability to avoid policy obligations due Plaintiff;

23 • claiming that they made payment in accordance with the policy of
24 insurance when in fact they withheld payment of the code improvements needed to repair
25 the building;

26 • claiming without any reasonable basis that Plaintiff was not entitled to code
27 improvements that were mandated by the building department and failing to pay the
28 actual cash value for code upgrades;

- 1 • failing to pay for Plaintiff's building loss claim promptly and then paying
- 2 only \$131,846.41 as total diminution of the actual cash value of the insured building
- 3 making it impossible for Plaintiff to replace the insured building, depriving her of
- 4 replacement cost benefits afforded by the policy of insurance;
- 5 • failing to produce requested claim-related documents in violation of
- 6 Insurance Code section 2071;
- 7 • failing to affirm or deny coverage for the building loss and code
- 8 compliance repairs within a reasonable time;
- 9 • demanding a proof of loss when a proof of loss was not necessary for the
- 10 adjustment of the loss;
- 11 • failing to effectuate in good faith prompt, fair, and equitable settlement of
- 12 Plaintiff's claims although liability had become reasonably clear;
- 13 • compelling Plaintiff to institute litigation to recover amounts due under her
- 14 insurance policy;
- 15 • offering substantially less than the amounts necessary to repair and replace
- 16 the insured building;
- 17 • corrupting the policy appraisal by having Traveler's policy appraiser and
- 18 umpire render coverage decisions in violation of California law;
- 19 • advising Plaintiff not to obtain the services of a public adjuster;
- 20 • failing to cooperate and assist Plaintiff in obtaining the coverages due under
- 21 the policy;
- 22 • unreasonably denying liability on the basis of Plaintiff's failure to exhibit
- 23 property and demanding that Plaintiff sign a contract with a contractor before Travelers
- 24 would discuss resolution of the amount of loss;
- 25 • failing to adopt written standards for the prompt investigation of claims;
- 26 • failing to train employees and agents in the duties they are obligated to
- 27 follow under Insurance Code section 790.03 and the Fair Claims Practices Act;
- 28 • failing to adopt a claims adjusting manual;

- 1 • failing to adopt clear written instructions regarding the procedures to be
- 2 followed to effect proper compliance the Fair Claims Practices Act;
- 3 • failing in its written denial and/or rejection of Plaintiff's claim to provide a
- 4 statement listing all bases for its rejection and/or denial of the claim;
- 5 • failing in its written denial and/or rejection of Plaintiff's claim to provide
- 6 the factual and legal bases for each reason given for its rejection and denial;
- 7 • failing in its written denial and/or rejection of Plaintiff's claim to provide
- 8 the specific policy provision, condition or exclusion upon which it is based its decisions;
- 9 • failing in its written denial and/or rejection of Plaintiff's claim to provide
- 10 an explanation of the application of the provision, condition or exclusion to the claim;
- 11 • persisting in seeking information not reasonably required for or material to
- 12 the resolution of a claim dispute;
- 13 • attempting to settle Plaintiff's claim by making a settlement offer that was
- 14 unreasonably low by using Murat Zilinki's and Snow Construction's lowball estimate of
- 15 the cost to repair the insured building;
- 16 • failing to consider information submitted by Plaintiff that showed the
- 17 amounts of her loss and the factual reasons that supported coverage;

18 42. In doing the things herein alleged, Travelers and Does 1-30 considered only
19 their own financial interests.

20 43. In doing the things herein alleged, Travelers and Doe 1-30 acted with fraud,
21 malice and oppression and with a willful and reckless disregard for Plaintiff's rights
22 under the policy and law.

23 44. As a direct and proximate result of the foregoing, Plaintiff suffered bodily
24 injury.

25 45. As a further direct and proximate result of the foregoing, Plaintiff suffered
26 emotional distress.

27 46. As a further direct and proximate result of the foregoing, Plaintiff suffered
28 foreseeable and unforeseeable consequential damages.

1 47. As a further direct and proximate result of the foregoing, Plaintiff incurred
2 attorney fees to recover policy benefits under the contract.

3 48. As a further direct and proximate result of the foregoing, Plaintiff seeks
4 punitive and exemplary damages against Travelers and Does 1-30.

5
6 **FOURTH CAUSE OF ACTION**
7 **FOR FRAUD**
8 **AGAINST TRAVELERS AND DOES 1-30**

9 49. Plaintiff hereby incorporates paragraphs 1-48 by reference as though fully
10 set forth in this Fourth Cause of Action against Travelers and Does 1-30.

11 50. Travelers and Does 1-30 through their employees, officers, directors,
12 representatives and agents induced Plaintiff to purchase Travelers' and Does 1-30's
13 policy of insurance representing that Travelers would pay for fire damage to the insured
14 building, its contents, and for loss of income and additional expenses should an insured
15 peril render the insured building uninhabitable.

16 51. The representations were false and Travelers and Does 1-30 had no
17 intention of paying for damage caused by fire to the building, its contents or for the loss
18 of income and increased expenses because an insured peril render the insured building
19 uninhabitable.

20 52. At all relevant times, Plaintiff believed that Travelers' and Does 1-30's
21 representations that they would pay for damage caused by fire to the insured building, its
22 contents and for loss of income and increase expenses should the insured building
23 become uninhabitable were true.

24 53. Believing that Travelers and Does 1-30's representations were true,
25 Plaintiff purchased Travelers' and Does 1-30's policy of insurance when she could have
26 purchased a policy that would have covered damage caused by fire to the insured
27 building, its contents and for loss of income and increased expense should be insured
28 building become uninhabitable.

1 54. In reliance of the representations, Plaintiff purchased Travelers' and Does
2 1-30's policy of property insurance.

3 55. While Travelers' and Does 1-30's policy of property insurance was in full
4 force and effect, fire damaged the insured building and its contents, rendering it
5 uninhabitable.

6 56. Travelers and Does 1-30 failed and refused to pay Plaintiff's for the losses
7 she sustained.

8 57. As a direct and proximate result of the foregoing, Plaintiff sustained the
9 losses set forth above.

10
11 **FIFTH CAUSE OF ACTION**
12 **NEGLIGENT MISREPRESENTATION**
13 **AGAINST TRAVELERS AND DOES 1-30**

14 58. Plaintiff hereby incorporates paragraphs 1-57 by reference as though fully
15 set forth in this Fifth Cause of Action against Travelers and Does 1-30.

16 59. Travelers and Does 1-30, their employees, agents, officers and
17 representatives, had no reasonable basis for believing the representations they made to
18 Plaintiff were true.

19 60. As a direct and proximate result of the foregoing, Plaintiff sustained a loss
20 set forth above.

21 **SIXTH CAUSE OF ACTION**
22 **INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**
23 **AGAINST ALLYSON DELGADO AND DOES 1-30**

24 61. Plaintiff hereby incorporates paragraphs 1-60 by reference as though fully
25 set forth in this Sixth Cause of Action against Allyson Delgado and Does 1-30.

26 62. At all relevant times, Allyson Delgado ("Delgado") was an individual
27 assigned by Travelers to investigate and pay property claims made by its policyholders
28 for losses that occurred in California.

///

1 63. At all relevant times, Textron Financial was the mortgagee whose interest
2 was secured by the insured building.

3 64. Delgado earned salary, bonuses, and benefits based on her ability to
4 undermine, discredit, and destroy policyholders' legitimate claims so that Travelers and
5 Does 1-30 could avoid their obligations under their policies of insurance.

6 65. Delgado, knowing the illegal nature of her conduct, willfully earned salary,
7 bonuses and benefits by undermining, discrediting and destroying policyholders'
8 legitimate claims so that Travelers and Does 1-30 could avoid their obligations under
9 their policies of insurance.

10 66. Delgado earned salary, bonuses and benefits by undermining, discrediting
11 and destroying Plaintiffs' legitimate insurance claim by engaging in outrageous conduct
12 which, among other things, included the concealment of building estimates that were
13 substantially higher than the estimate that Delgado used to understate the true extent of
14 the diminution of the actual cash value of the insured building and understate the cost to
15 repair and replace the insured building; inducing with the promise of continued
16 employment as an independent contractor, Chris Morton, an engineer, to falsify his
17 engineering report relating to Plaintiff's claim for code improvements to allow Delgado
18 to deny Plaintiff's claim for code improvements; inducing Murat Zilinki, with promises
19 of future work and additional payments, to submit lowball estimates that Delgado
20 planned to falsely characterized as previously undiscovered damage; and abusive conduct
21 directed at Plaintiff in words and actions.

22 67. At all relevant times, Delgado knew that Plaintiff would suffer severe
23 emotional distress given that Plaintiff's only source of income arose from the then
24 destroyed insured building, which was the building Plaintiff had to heavily mortgage to
25 purchase; and, by deliberately delaying payment to have Textron Financial apply the
26 actual cash value payment to the outstanding loan indebtedness to prevent Plaintiff from
27 replacing the insured building.

28 ///

1 68. At all relevant times, Delgado intended to cause Plaintiff emotional
2 distress.

3 69. At all times, Delgado acted with reckless disregard of the probability that
4 Plaintiff would suffer emotional distress.

5 70. Plaintiff suffered severe emotional distress.

6 71. Delgado's conduct was a substantial factor in causing Plaintiff's severe
7 emotional distress.

8 72. As a direct and proximate result of the foregoing, Plaintiff sustained the
9 losses set forth above.

10
11 **SEVENTH CAUSE OF ACTION**
12 **NEGLIGENCE**
13 **AGAINST UREN, TRAVELERS AND DOES 1-30**

14 73. Plaintiff hereby incorporates paragraphs 1-72 by reference as though fully
15 set forth in this Seventh Cause of Action against Uren, Travelers and Does 1-30.

16 74. From 1982 to the fire, Plaintiff obtained her insurance exclusively from
17 Uren, Travelers and Does 1-30.

18 75. At the time Plaintiff applied for insurance for the insured building, the
19 employees, agents, officers, and representatives of Uren, Travelers and Does 1-30 stated
20 that they had the skill, experience and expertise to obtain the kind and the amount of
21 insurance that Plaintiff would need to protect her interests against physical loss which
22 might occur to the insured building, its contents and for the interruption of her business
23 that might arise should the insured building become uninhabitable.

24 76. From 1982 to the time of the fire, Uren, Travelers and Does 1-30 routinely
25 inspected the insured building, its contents and considered the potential loss of income
26 and extra expense that might occur should a covered peril render the insured building
27 uninhabitable.

28 77. Plaintiff answered all of the questions submitted to her by Uren, Travelers
and Does 1-30 truthfully.

1 78. At all relevant times, Uren, Travelers and Does 1-30 stated that the
2 insurance issued by Travelers was sufficient in amount to cover her financial interests
3 should an insured peril cause a complete loss of the building and its contents.

4 79. At all relevant times, Uren, Travelers and Does 1-30 stated that the
5 insurance issued by Travelers and Does 1-30 would cover the loss of income she
6 sustained and extra business expense that she incurred in the event an insured peril
7 rendered the insured building uninhabitable.

8 80. In 2000, when Plaintiff purchased the insured building, Uren, Travelers and
9 Does 1-30 represented that they obtained the necessary kinds and amounts of insurance to
10 protect Plaintiff's financial interests should an insured peril cause a complete loss of the
11 building, its contents and render it uninhabitable.

12 81. Uren, Travelers and Does 1-30 unilaterally selected the kind and amount of
13 insurance coverages they claimed was sufficient to insure the insured building, its content
14 and for the loss that Plaintiff might incur should an insured peril render the insured
15 building uninhabitable.

16 82. Travelers and Does 1-30 allege that Travelers' written policy of insurance
17 does not fully cover the damage to the insured building, its contents, code improvements
18 and does not provide for loss of income and additional expenses incurred because the fire
19 rendered the insured building uninhabitable.

20 83. If Travelers' and Does 1-30's allegations are correct, then Uren, Travelers
21 and Does 1-30 failed to exercise reasonable care in determining the necessary kinds and
22 amounts of insurance needed to protect Plaintiff's financial interest in the insured
23 building, its contents the potential loss of earnings and extra expenses.

24 84. A If Travelers' and Does 1-30's allegations are correct, then Plaintiff has
25 insufficient coverage to indemnify her for the loss and damage caused to the insured
26 building, its contents and loss of income in the extra expense and is, therefore, entitled to
27 recover the deficiency from Uren, Travelers and Does 1-30.
28

**EIGHTH CAUSE OF ACTION
CIVIL AIDING AND ABETTING
AGAINST CHRIS MORTON, HOHBACK-LEWIN INC. ISAM HASENIN,
MURAT ZILINKI, WALTER SPRINGS CONSTRUCTION, AND DOES 1-30.**

85. Plaintiff hereby incorporates paragraphs 1-84 by reference as though fully set forth in this Eighth Cause of Action against Chris Morton, Hohback-Lewin Ins., Isam Hasenin, Murat Zilinki, Walter Springs Construction, and Does 1-30 by reference.

86. At all relevant times, Chris Morton was an individual licensed to practice engineering in California.

87. At all relevant times, Hohback-Lewin Inc. was a corporation in the business of practicing engineering in the state of California.

88. At all relevant times, Isam Hasenin was an individual licensed to practice engineering in California.

89. At all relevant times, Murat Zilinki was an individual licensed as a general contractor.

90. At all relevant times, Walter Springs Construction, was a corporation licensed as a general contractor.

91. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin, Murat Zilinki, Walter Springs Construction, Does 1-30 and Travelers had a business relationship that was written, oral, or implied.

92. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin and Does 1-30 routinely perform engineering investigations for Travelers. Annually, Travelers paid Chris Morton, Hohback-Lewin Inc., Isam Hasenin and Does 1-30 a substantial and significant amount of their total annual income to provide Travelers with written reports and testimony to undermine Travelers' policyholders' claims.

93. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin and Does 1-30 were aware that Travelers and Does 1-30 used their reports and testimony to misstate material facts to support Travelers' and Does 1-30, denials of coverage from so-called independent experts.

1 94. At all relevant times, Murat Zilinki, Walter Springs Construction and Does
2 1-30 routinely prepared damage appraisal construction reports for Travelers and Does 1-
3 30. Annually, Travelers paid Murat Zilinki, Walter Springs Construction, Does 1-30 a
4 substantial and significant amount of their annual income to provide them with written
5 reports and testimony to undermine the amount and validity of Travelers' policyholders'
6 damage claims.

7 95. At all relevant times, Murat Zilinki, Walter Springs Construction, and Does
8 1-30 were aware that Travelers uses their reports and testimony to misstate material facts
9 for Travelers and Does 1-30 to utilize in supporting Travelers' denials of coverage from a
10 so-called independent expert.

11 96. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin
12 Murat Zilinki, Walter Springs Construction, and Does 1-30 held themselves out as
13 independent experts in the determination of the need for code requirements and in the
14 determination of the amount of damage.

15 97. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin,
16 Murat Zilinki, Walter Springs Construction, Does 1-30 represented to Plaintiff that they
17 had special expertise and were acting independently to determine the need for code
18 improvements and determine the true amount of the loss.

19 98. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin,
20 Murat Zilinki, Walter Springs Construction, and Does 1-30 did not disclose to Plaintiff
21 that they regularly performed work for Travelers and Does 1-30.

22 99. Chris Morton, Hohback-Lewin Inc., Murat Zilinki, Isam Hasenin, Walter
23 Springs Construction, and Does 1-30 did not disclose that they had received direction
24 from Travelers' personnel as to the conclusion that there reports should reach.

25 100. At all relevant times, Chris Morton, Hohback-Lewin Inc., Isam Hasenin,
26 Murat Zilinki, Walter Springs Construction, and Does 1-30 knew that an insurance
27 contract requires that the insurer deal fairly with the insured.
28

1 101. At all relevant times, Morton, Hohback-Lewin Inc., Isam Hasenin, Murat
2 Zilinki, Walter Springs Construction, and Does 1-30 knew that Travelers had an
3 insurance contract with Plaintiff.

4 102. At all relevant times, Morton, Hohback-Lewin Inc., Isam Hasenin, Murat
5 Zilinki, Walter Springs Construction, and Does 1-30 knew that Travelers owed a duty of
6 good faith and fair dealing to Plaintiff and that the breach of that duty is a tort.

7 103. Travelers retained Murat Zilinki, Walter Springs Construction, and Does 1-
8 30 to prepare, publish and testify to a damage appraisal estimate in which they knowingly
9 and intentionally understated the diminution in value and the cost to repair the insured
10 building to aid Delgado in undermining and destroying Plaintiff's legitimate insurance
11 claim.

12 104. Travelers retained Morton, Hohback-Lewin Inc. Isam Hasenin, and Does 1-
13 30 to prepare, publish and testify to an engineering report in which they knowingly and
14 intentionally misrepresented the City of Dublin's code requirements to aid Delgado to
15 undermine and destroy Plaintiff's legitimate insurance claim.

16 105. Before preparing their reports, Morton, Hohback-Lewin Inc. Isam Hasenin,
17 Murat Zilinki, Walter Springs Construction, Does 1-30 knew that Travelers would use the
18 report to deny and undermine Plaintiff's legitimate insurance claim.

19 106. Morton, Hohback-Lewin Inc., Murat Zilinki, Isam Hasenin, Walter Springs
20 Construction, Does 1-30 substantially assisted Travelers in breaching the covenant of
21 good faith and fair dealing by the following conduct:

- 22 • falsely testifying at a policy appraisal hearing;
- 23 • attempting to unlawfully influence a City of Dublin building inspector;
- 24 • ignoring material evidence;
- 25 • concealing material evidence;
- 26 • conducting an incomplete investigation and reaching false conclusions;
- 27 • materially misrepresenting the scope of needed repairs;
- 28 • intentionally excluding covered repairs such as code requirements; and

- materially misrepresenting the code requirements of the City of Dublin.

107. Morton, Hohback-Lewin Inc., Murat Zilinki, Isam Hasenin, Walter Springs Construction, Does 1-30 knew that their conduct was important in aiding, abetting and assisting Travelers and Does 1-30 in breaching the covenant of good faith and fair dealing that was owed by Travelers to Plaintiff.

108. Morton, Hohback-Lewin Inc., Isam Hasenin, Murat Zilinki, Walter Springs Construction, Does 1-30 are subject to liability for the harm suffered by Plaintiff because Morton, Hohback-Lewin Inc., Isam Hasenin, Murat Zilinki, Walter Springs Construction, Does 1-30 knew that their conduct was wrongful and of substantial assistance to Travelers in denying Plaintiff's claim.

109. As a direct and proximate result of Morton, Hohback-Lewin Inc., Isam Hasenin, Murat Zilinki, Walter Springs Construction, Does 1-30 conduct, Plaintiff has been damaged in amount to be proved at trial.

110. In doing the above acts, Morton, Hohback-Lewin Inc., Isam Hasenin, Murat Zilinki, Walter Springs Construction, Does 1-30 acted with fraud, malice and oppression and Plaintiff is entitled to punitive and exemplary damages.

**NINTH OF ACTION
BREACH OF CONTRACT AND THE COVENANT OF GOOD FAITH
AND FAIR DEALING AGAINST
TEXTRON FINANCIAL AND BANK OF THE WEST AND DOES 1-30**

111. Plaintiff hereby incorporates paragraphs 1-110 by reference as though fully set forth in this Ninth Cause of Action against Textron Financial, Bank of the West Present and Does 1-30.

112. At all relevant times, Plaintiff agreed with Textron Financial to borrow money to purchase the insured building. Plaintiff does not have a copy of the written agreement because it was destroyed in the November 17, 2004 fire.

113. At all relevant times, Textron Financial transferred Plaintiff's purchase money mortgage to Bank of the West, and Bank of the West, a corporation, currently holds the mortgage on the insured building.

1 114. Prior to this lawsuit, Travelers and Does 1-30 paid Plaintiff the amount of
2 \$131,846.41 claiming it was in full payment for the diminution of the actual cash value of
3 the insured building caused by the fire.

4 115. Prior to this lawsuit, Plaintiff forwarded Travelers' check to Textron
5 Financial in the amount of \$131,846.41 for Textron Financial to hold in a separate
6 account to be used to repair and replace the insured dwelling as provided by the contract
7 of insurance issued by Travelers and Does 1-30.

8 116. Travelers' and Does 1-30's policy of property insurance provided Plaintiff
9 with two options if a loss occurred. The options were that the Plaintiff had a choice of
10 collecting the cash value of the building at the time of the loss, or, alternatively, Plaintiff
11 could rebuild the house and receive reimbursement from the insurance company up to the
12 cost to replace the insured building.

13 117. At all relevant times, Textron Financial's security was limited to the value
14 of the insured building and land.

15 118. The implied covenant imposes upon each party the obligation to do
16 everything that the contract presupposes they will do to accomplish its purpose.

17 119. The right of Textron Financial, Bank of the West and Does 1-30 to apply
18 insurance proceeds to the balance of a note secured by a deed of trust must be performed
19 in good faith and with fair dealing, and to the extent the security is not impaired, the
20 beneficiary must permit those proceeds to be used for the cost of rebuilding.

21 120. Textron Financial, Bank of the West and Does 1-30's security was not
22 impaired by the by the fire and they could not in good faith exercise their option under
23 the deed of trust to apply the insurance proceeds to the outstanding loan balance.

24 121. In breach of the mortgage contract and the covenant of good faith and fair
25 dealing, Textron Financial, Bank of the West and Does 1-30 applied the insurance
26 proceeds to the outstanding loan balance.

27 122. In doing the things herein alleged, Textron Financial, Bank of the West and
28 Does 1-30 considered only their own financial interests.

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San Rafael, CA 94901
(415) 453-2300

1 123. In doing the things herein alleged, Textron Financial, Bank of the West and
2 Does 1-30 acted with fraud, malice and oppression and with a willful and reckless
3 disregard for Plaintiff's rights under the mortgage and law.

4 124. As a direct and proximate result of the foregoing, Plaintiff will be unable to
5 repair the insured dwelling and potentially forfeit the foreseeable benefits under
6 Travelers' and Does 1-30's policy of insurance.

7 125. As a direct and proximate result of the foregoing, Plaintiff suffered bodily
8 injury.

9 126. As a further direct and proximate result of the foregoing, Plaintiff suffered
10 emotional distress.

11 127. As a further direct and proximate result of the foregoing, Plaintiff suffered
12 foreseeable and unforeseeable consequential damages.

13 128. As a further direct and proximate result of the foregoing, Plaintiff incurred
14 attorney fees to recover policy benefits under the contract.

15 129. As a further direct and proximate result of the foregoing, Plaintiff seeks

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1 punitive and exemplary damages against Textron Financial, Bank of the West and Does
2 1-30.

3
4 WHEREFORE, Plaintiff prays for judgment as follows:

- 5 1. for contract general, special, economic and consequential damages;
6 2. for attorney fees;
7 3. for prejudgment interest;
8 4. for costs of suit;
9 5. for punitive and exemplary damages; and
10 6. other relief the court finds to be just and proper.

11
12 DATED: Feb. 12, 2008

DOHERTY GEORGESON KERLEY LLP

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14 Francis X. Doherty
15 FRANCIS X. DOHERTY
16 J. EDWARD KERLEY
17 Attorneys for Plaintiff La Velda Singleton
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San Rafael, CA 94901
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DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial.

DATED: Feb 12, 2008

DOHERTY GEORGESON KERLEY LLP

Francis X. Doherty
FRANCIS X. DOHERTY
J. EDWARD KERLEY
Attorneys for Plaintiff La Velda Singleton

DOHERTY GEORGESON KERLEY LLP
999 Fifth Avenue, Suite 400
San Rafael, CA 94901
(415) 453-2300

CERTIFIED POLICY	
The policy to which this certification is affixed is a true and accurate copy of the policy contained in company records and used in the regular course of business as of the date shown below. No representation or warranty is made that this copy is identical in all respects to the policy issued.	
No insurance is afforded by this copy.	
<i>The Travelers Indemnity Company</i> Name of Insuring Company	
<i>660-333X9953</i> Policy Number	<i>H.E. Fitts</i> Date: <i>7-26-06</i>

EXHIBIT

A

SINGLETON
TRAVELERS/00001

One Tower Square, Hartford, Connecticut 06183

Travelers

SCHOOLS AND DAY CARE CENTER
COMMON POLICY DECLARATIONS
ISSUE DATE: 09/19/03

POLICY NUMBER: X-660-333X9953-TCT-03

INSURING COMPANY:
THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT1. NAMED INSURED AND MAILING ADDRESS:
LOVE AND CARE PRESCHOOL,
LA VELDA SINGLETON, DBA:
8010 HOLANDA LANE
DUBLIN, CA 945682. POLICY PERIOD: From 11/23/03 to 11/23/04 12:01 A.M. Standard Time at
your mailing address.3. LOCATIONS
Premises Bldg.
Loc. No. No. Occupancy Address
SEE IL T0 034. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
COMMERCIAL PROPERTY COV PART DECLARATIONS CP TO 11 01 03 TCT
COMMERCIAL GENERAL LIABILITY COV PART DECLARATIONS CG TO 01 03 94 TCT5. NUMBERS OF FORMS AND ENDORSEMENTS
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 936. SUPPLEMENTAL POLICIES: Each of the following is a separate policy
containing its complete provisions:
Policy Policy No. Insuring Company7. PREMIUM SUMMARY:
Provisional Premium
Due at Inception
Due at EachNAME AND ADDRESS OF AGENT OR BROKER:
UREN HARRISON (MAY 11 1960)
3211 AUTO PLAZA
RICHMOND, CA 94806

COUNTERSIGNED BY:

Authorized Representative
DATE:

IL TO 02 11 89

PAGE 1 OF 10

OFFICE: COS - SAC APPLIES

SINGLETON
TRAVELERS/00002

Travelers

TAXES AND SURCHARGES

POLICY NUMBER: X-660-333X9953-TCT-03

EFFECTIVE DATE: 11/23/03

ISSUE DATE: 09/19/03

DESCRIPTION	AMOUNT
CIGA SURCHARGE-ALL OTHER	37.00

IL TO 02 11 89 PAGE 2 OF 2

OFFICE: CGS - SAC APPLIES 019
PRODUCER NAME: UREN HARRISON KENNEDY

NI160

SINGLETON
TRAVELERS/00003



POLICY NUMBER: X-660-333X9953-TCT-03

EFFECTIVE DATE: 11-23-03

ISSUE DATE: 09-19-03

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL TO 02 11 89 COMMON POLICY DECLARATIONS
IL T8 01 10 93 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL TO 01 12 94 COMMON POLICY CONDITIONS
IL TO 03 04 96 LOCATION SCHEDULE

COMMERCIAL PROPERTY

CP TO 11 01 03 COMMERCIAL PROPERTY DECLARATIONS
CP TO 05 04 94 MORTGAGEE SCHEDULE
CP 12 18 07 88 LOSS PAYABLE PROVISIONS
CP TO 00 08 92 TABLE OF CONTENTS
CP 00 90 07 88 COMMERCIAL PROPERTY CONDITIONS
CP T1 00 07 88 BUILDING & PERSONAL PROPERTY COV FORM
CP T1 08 08 88 CAUSES OF LOSS-SPECIAL FORM
CP T3 68 04 02 FUNGUS, ROT, BACTERIA CAUSES OF LOSS
CP T3 01 12 86 AMENDATORY PROVISIONS
CP T3 63 09 99 PROPERTY EXTRA PLUS
CP T3 81 11 02 TERRORISM RISK INS ACT 2002 DISCLOSURE

COMMERCIAL GENERAL LIABILITY

CG TO 01 03 94 COMM'L GENERAL LIABILITY DEC
CG TO 07 09 87 DECLARATIONS PREMIUM SCHEDULE
CG TO 08 07 86 KEY TO DECLARATIONS PREMIUM SCHEDULE
CG TO 34 10 93 TABLE OF CONTENTS
CG 00 01 10 93 COMMERCIAL GENERAL LIABILITY COV FORM
CG 00 57 09 99 AMENDMENT OF INSURING AGRMNT-KNOWN INJ
CG 20 18 11 85 ADD'L INS-MORTGAGEE, ASSIGNEE, RECEIVER
CG 21 70 11 02 CAP ON LOSSES CERTIFIED ACTS TERRORISM
CG D0 37 01 99 OTHER INSURANCE-ADDITIONAL INSUREDS
CG D0 86 01 03 HIRED AND NONOWNED AUTO EXCESS LIAB
CG D1 88 09 99 COLLEGES AND SCHOOLS XTEND ENDORSEMENT
CG D1 94 11 97 CHGS IN COMMERCIAL GENERAL LIAB COV FORM
CG D2 03 12 97 AMEND-NON CUMULATION OF EACH OCC
CG D2 34 02 01 WEB XTEND - LIABILITY
CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION
CG 21 47 10 93 EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 22 30 10 93 EXCLUSION-CORPORAL PUNISHMENT
CG 22 40 11 85 EXCL-MED PAY TO CHILDREN(DAY CARE CNTRS)
CG D0 76 06 93 EXCLUSION-LEAD
CG D1 42 01 99 EXCLUSION-DISCRIMINATION
CG D1 89 07 97 COLLEGES & SCHOOL EXCL STUDENT MED EXP
CG D1 90 07 97 COLLEGES & SCHOOLS AMEND EXCL TRANSPORT
CG D1 92 08 97 AMEND POLL EXCL-EXCEPT BLDG HEAT EQUIP

SINGLETON
TRAVELERS/00004

Travelers

POLICY NUMBER: X-660-333X9953-TCT-03

EFFECTIVE DATE: 11-23-03

ISSUE DATE: 09-19-03

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D2 42 01 02	EXCLUSION WAR
CG T4 78 02 90	EXCLUSION-ASBESTOS
CG T4 90 12 94	EXCLUSION-ABUSE/MOLESTATION
CG T3 33 12 88	LIMIT WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

IL T3 68 11 02	FEDERAL TERRORISM RISK INSURANCE ACT
IL 00 21 07 02	NUCLEAR ENERGY LIAB EXCL END-BROAD FORM
IL 01 03 06 99	CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL 01 04 02 02	CALIFORNIA CHANGES
IL 02 70 07 99	CA CHANGES-CANCELLATION & NON-RENEWAL
IL 09 52 11 02	CAP LOSSES-CERTIFIED ACTS OF TERRORISM
IL T0 10 04 94	LENDERS CERTIFICATE OF INSURANCE-FORM A
IL T0 11 03 96	LENDERS' CERTIFICATE OF INSURANCE-FORM B

SINGLETON
TRAVELERS/00005

IL T8 01 10 93

PAGE: 2 OF 2

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;

2. Give you reports on the conditions we find; and

3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have rights and duties but only with respect to that property.

**SINGLETON
TRAVELERS/00006**

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.


In return for payment of the premium, The Travelers agrees with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the

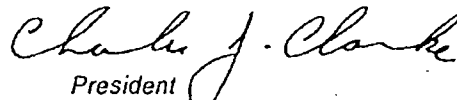
company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

The companies listed below (each a stock company) have executed this policy, but it is valid only if countersigned on the Common Policy Declarations by our authorized representative.

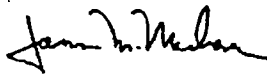
The Travelers Indemnity Company (IND)
The Phoenix Insurance Company (PHX)
The Charter Oak Fire Insurance Company (COF)
The Travelers Indemnity Company of Illinois (TIL)
• The Travelers Indemnity Company of Connecticut (TCT)
The Travelers Indemnity Company of America (TIA)

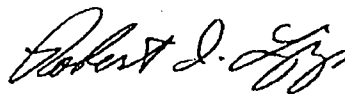
*Formerly known as the Travelers Indemnity Company of Rhode Island (TRI)


Secretary


President

The Travelers Insurance Company (INS)


Secretary


President

**SINGLETON
TRAVELERS/00007**

LOCATION SCHEDULE

POLICY NUMBER: X-660-333X9953-TCT-03

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period
11-23-03 to 11-23-04.

Loc. No.	Bldg. No.	Address	Occupancy
1	1	8010 HOLANDA LANE DUBLIN, CA 94568	DAY CARE/SCHOOL

**SINGLETON
TRAVELERS/00008**

COMMERCIAL PROPERTY

**SINGLETON
TRAVELERS/00009**



One Tower Square, Hartford, Connecticut 06183


**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**
**POLICY NUMBER: X-660-333X9953-TCT-03
ISSUE DATE: 09-19-03**
INSURING COMPANY:**THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT**
**DECLARATIONS PERIOD: From 11/23/03 to 11/23/04 12:01 A.M. Standard Time at your
mailing address shown in the Common Policy Declarations.**

The Commercial Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), the Cause of Loss Form(s) and endorsements.

1. **COVERAGE** - Insurance applies only to premises location(s) and building number(s) shown below for the coverage(s), optional coverage(s) or coverage option(s) indicated in this Declarations or specified in any endorsements attached to this Coverage Part.
2. **DEDUCTIBLE** - The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.

\$ 500 per occurrence

PREMISES LOCATION NO. 0001 BUILDING NO. 0001

COVERAGE	LIMIT OF INSURANCE	COINSURANCE	CAUSES OF LOSS
Building Replacement Cost applies Inflation Guard: 4%	\$ 218,500	90%	Special
Your Business Personal Property Replacement Cost applies	\$ 34,600	90%	Special

**SINGLETON
TRAVELERS/00010**

CP TO 11 01 03

PRODUCER: UREN HARRISON KENNEDY

NI160

OFFICE: CGS - SAC APPLIES 019

One Tower Square, Hartford, Connecticut 06183



**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: X-660-333X9953-TCT-03
ISSUE DATE:**

Premises Loc. No.	Bldg. No.	Mortgage Holder Name and Mailing Address
1	1	TEXTRON BUSINESS CREDIT, ISAOA 275 WEST NATICK ROAD WARWICK RI 02886

**SINGLETON
TRAVELERS/00011**

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL PROPERTY
ISSUE DATE: 09-19-03**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Prem. No.

Bldg. No.

Description of Property

Loss Payee (Name & Address)

SEE CP T8 87 03 99

Provisions Applicable:	Loss Payable	Lender's Loss Payable	Contract of Sale
<p>A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.</p> <p>The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:</p> <p>B. LOSS PAYABLE</p> <p>For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:</p> <ol style="list-style-type: none"> 1. Adjust losses with you; and 2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear. <p>C. LENDER'S LOSS PAYABLE</p> <ol style="list-style-type: none"> 1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that 			<p>Covered Property is established by such written contracts as:</p> <ol style="list-style-type: none"> a. Warehouse receipts; b. A contract for deed; c. Bills of lading; or d. Financing statements.
			<p>2. For Covered Property in which both you and a Loss Payee have an insurable interest:</p> <ol style="list-style-type: none"> a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear. b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property. c. If we deny your claim because of your acts or because you have failed to comply with terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

SINGLETON
TRAVELERS/00012

COMMERCIAL PROPERTY

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property;
2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**SINGLETON
TRAVELERS/00013**

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL PROPERTY
ISSUE DATE: 09-19-03

LOSS PAYABLE PROVISIONS SCHEDULE

Loss Payee (Name & Address)

TEXTRON BUSINESS CREDIT, ISAOA

275 WEST NATICK ROAD

WARWICK

RI 02886

Prem. No.	Bldg. No.	Description of Property	Provisions Applicable
1	1		Lenders Loss Payable

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL PROPERTY
ISSUE DATE: 09-19-03

LOSS PAYABLE PROVISIONS SCHEDULE

Loss Payee (Name & Address)

RAMON ORTEGA AND DEBBRA A. ORTEGA

6315 SUDDARD COURT

PLEASANTON

CA 94588

Prem. No.	Bldg. No.	Description of Property	Provisions Applicable
1	1		Lenders Loss Payable

TABLE OF CONTENTS

COMMERCIAL PROPERTY COVERAGE PART

The following indicates the contents of the principal Forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

Page No. Varies
By Form

COMMERCIAL PROPERTY CONDITIONS

- A. Concealment, Misrepresentation or Fraud
- B. Control of Property
- C. Insurance Under Two or More Coverages
- D. Legal Action Against Us
- E. Liberalization
- F. No Benefit to Bailee
- G. Other Insurance
- H. Policy Period, Coverage Territory
- I. Transfer of Rights of Recovery Against Others to Us

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

- A. Coverage
- B. Exclusions and Limitations
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Additional Conditions
- G. Optional Coverages
- H. Definitions

CAUSES OF LOSS-BASIC FORM

- A. Covered Causes of Loss
- B. Exclusions
- C. Limitations
- D. Definitions

CAUSES OF LOSS-BROAD FORM

- A. Covered Causes of Loss
- B. Exclusions
- C. Limitations
- D. Additional Coverage-Collapse
- E. Definitions

CAUSES OF LOSS-SPECIAL FORM

- A. Covered Causes of Loss
- B. Exclusions
- C. Limitations
- D. Additional Coverage-Collapse
- E. Additional Coverage Extensions
- F. Definitions

GLASS COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Large Plate Option

BUSINESS INCOME COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Loss Conditions
- E. Additional Condition
- F. Optional Coverages
- G. Definitions

BUILDERS' RISK COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Additional Conditions
- G. Definition

CONDOMINIUM ASSOCIATION COVERAGE FORM

- A. Coverage
- B. Exclusions and Limitations
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Additional Conditions
- G. Optional Coverages
- H. Definition

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

- A. Coverage
- B. Exclusions and Limitations
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Additional Condition
- G. Optional Coverages
- H. Definitions

SINGLETON
TRAVELERS/00016

COMMERCIAL PROPERTY

TABLE OF CONTENTS (Cont'd)

Page No. Varies
By Form

EXTRA EXPENSE COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Loss Conditions
- E. Definitions

LEGAL LIABILITY COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Loss Conditions
- E. Additional Conditions
- F. Definition

**MORTGAGE HOLDER'S ERRORS AND OMISSIONS
COVERAGE FORM**

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Additional Coverage-Collapse
- E. Condition Applicable to Coverage
A-Mortgage Holder's Interest
- F. Conditions Applicable to Coverage
B-Property Owned or Held in Trust
- G. Conditions Applicable to Coverage
C-Mortgagee Holders Liability
and Coverage D-Real Estate Tax
Liability
- H. Conditions Applicable to All
Coverages
- I. Definitions

LEASEHOLD INTEREST COVERAGE FORM

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Loss Conditions
- E. Additional Condition
- F. Definitions

**TOBACCO SALES WAREHOUSES COVERAGE
FORM**

- A. Coverage
- B. Exclusions
- C. Limits of Insurance
- D. Deductible
- E. Loss Conditions
- F. Additional Conditions
- G. Definitions

**SINGLETON
TRAVELERS/00017**

COMMERCIAL PROPERTY

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But

**SINGLETON
TRAVELERS/00018**

COMMERCIAL PROPERTY

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout the policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the company providing the insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H--DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

- a. **Building**, meaning the building or structure described in the Declarations, including:
 - (1) Completed additions;
 - (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
 - (3) Outdoor fixtures;
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 500 feet of the described premises, used for making addi-

tions, alterations or repairs to the building or structure.

- b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 500 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property-Separation of Coverage form:
 - (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) "Stock";
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others; and
 - (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.

c. **Personal Property of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 500 feet of the described premises.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

SINGLETON
TRAVELERS/00019

COMMERCIAL PROPERTY

you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

- a. Someone insured by this insurance;
- b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

**SINGLETON
TRAVELERS/00020**

COMMERCIAL PROPERTY

2. Property and Costs Not Covered

Unless the following property is added by endorsement to this Coverage Part, Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, back-filling or filling, reclaiming or restoring land or water;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Water or land (including land on which the property is located), growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Pilings, piers, wharves, docks, dikes or dams;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues, drains, mines or mining property;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads;
 - (2) Are operated principally away from the described premises;

but Covered Property does include:

- (3) Vehicles or self-propelled machines, other than automobiles, you manufacture, process, warehouse or hold for sale;
- (4) Automobiles you manufacture, process or warehouse; or
- (5) Rowboats or canoes out of water and located at the described premises;
- p. The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the Coverage Extensions; or
 - (3) Pumps and tanks and their contents, except those which are part of and connected to the heating system of the building.

3. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages**a. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.
- (3) Payment for Debris Removal is included within the applicable limit of Insurance shown in the Declarations, except when the sum of loss of or

SINGLETON
TRAVELERS/00021

damage to Covered Property and the expense for removal of its debris exceed that limit. When that occurs, we will pay an additional amount for debris removal expense up to \$25,000 in any one occurrence.

This additional amount will apply only if the applicable limit of Insurance is at least 80% of the total value of the Covered Property to which the loss or damage occurs.

- (4) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises location, if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss which occurs:

- 1. On the described premises; and
- 2. During the policy period.

The expense will be paid only if reported to us within 180 days of the date of direct physical loss or damage of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under the Additional Coverage is \$10,000 in any one year commencing with policy inception. This amount is in addition to the Limits of Insurance.

c. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

Coverage ceases when the policy is amended to provide insurance at the new location.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is in addition to the Limits of Insurance.

e. Reward Coverage

We will reimburse you for reward(s) you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your covered property.

We will pay 25% of the covered loss up to a maximum of \$1,000 for the payments of rewards you make. These reward payments must be documented.

5. Coverage Extensions

If a Coinsurance percentage of 80% or more or a value reporting period symbol is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or

- (ii) Use as a warehouse for your Covered Property.

**SINGLETON
TRAVELERS/00022**

COMMERCIAL PROPERTY

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage to your Business Personal Property under this Extension is \$250,000 at each building.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire or begin to construct the property;
- (c) You report values to us; or
- (d) The property is more specifically insured.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property, other than personal effects, owned by:
 - (a) Your employees, for not more than \$500 for any one employee; or
 - (b) Others, and in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records—Cost of Research

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$5,000 at each described premises.

d. Property Off-Premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock," that is temporarily at your home or at a location you do not own, lease or operate. This Extension does not apply to:

- (1) Covered Property in or on a vehicle;
- (2) Covered Property at any fair or exhibition;
- (3) Covered Property temporarily at the location for more than 90 consecutive days; or
- (4) Outdoor signs.

The most we will pay for loss or damage under this Extension is \$5,000.

e. Temporary Relocation of Property

If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for loss or damage to that stored property:

- (1) Caused by or resulting from a Covered Cause of Loss;
- (2) Up to \$50,000 at each temporary location; and
- (3) During the storage period of up to 90 consecutive days but not beyond expiration of this policy; unless the stored property is more specifically insured.

f. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor property on the described premises, as follows:

**SINGLETON
TRAVELERS/00023**

COMMERCIAL PROPERTY

- (1) Fences, retaining walls not part of a building, lawns, trees, shrubs and plants, walks, roadways, patios or other paved surfaces for loss or damage by the following Causes of Loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; or
- (e) Aircraft;

- (2) Radio and television antennas and signs (other than signs attached to buildings) for loss or damage by the Causes of Loss listed above and:

- (a) Windstorm;
- (b) Hail;
- (c) Falling Objects;
- (d) Vehicles;
- (e) Sinkhole Collapse; or
- (f) Volcanic Action.

The most we will pay under this Extension is \$5,000 at each described premises, but not more than \$500 for any one tree, shrub or plant nor \$1,000 for any one sign or antenna.

g. Claim Data

You may extend the insurance provided by this Coverage Form to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss. The most we will pay for preparation of claim data under this Extension is \$1,000. We will not pay for any expenses billed by and payable to insurance adjusters.

h. Extra Expense

You may extend the insurance provided by this Coverage Form to apply to the extra expense you incur to continue as nearly as possible your normal business operation following loss or damage to Covered Property by a Covered Cause of Loss. The most we will pay under this Extension is \$1,000 in total in any one occurrence for all extra expense wherever incurred.

The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss of or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Preservation of Property; and
- 2. Temporary Relocation of Property.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

**SINGLETON
TRAVELERS/00024**

COMMERCIAL PROPERTY

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss of or damage to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- i. Cooperate with us in the investigation and settlement of the claim.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.

- c. We will not pay you more than your financial interest in the Covered Property.

- d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owner's property. We will not pay the owners more than their financial interest in the Covered Property.

- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- f. We will pay for covered loss or damage within 30 days after we receive the sworn statement of loss, if:

- (1) You have complied with all of the terms of this Coverage Part; and
- (2) We have reached agreement with you on the amount of loss or an appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property.

- a. We will pay:

- (1) Recovery expense; and
- (2) Costs to repair the recovered property;

- b. But the amount we pay will not exceed:

- (1) The total of a.(1) and a.(2) above;

**SINGLETON
TRAVELERS/00025**

COMMERCIAL PROPERTY

- (2) The value of the recovered property;
or
- (3) The Limit of Insurance;
whichever is less.

6. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.
 - b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.
This provision does not apply to the following even when attached to the building:
 - (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilation, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
 - c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
 - d. Glass at the cost of replacement with safety glazing material if required by law.
 - e. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly.
We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal op-

tion period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - (1) Blank material for reproducing the records; and
 - (2) Labor to transcribe or copy the records when there is a duplicate.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.
Instead, we will determine the most we will pay using the following steps:
 - (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - (2) Divide the Limit of Insurance of the property by the figure determined in step(1);
 - (3) Multiply the total amount of the covered loss, before the application of any deductible, by the figure determined in step (2); and
 - (4) Subtract the deductible from the figure determined in step (3).

The amount determined in step (4) is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When: The value of the property is \$250,000
The Coinsurance percentage for it is 80%
The Limit of Insurance for it is \$100,000

 SINGLETON
TRAVELERS/00026

COMMERCIAL PROPERTY

The Deductible is \$250

The amount of loss is: \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000/\$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When: The value of the property is \$250,000

The Coinsurance percentage for it is 80%

The Limit of Insurance for it is \$200,000

The Deductible is \$250

The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$200,000/\$200,000 = 1.00$

Step (3): $\$40,000 \times 1.00 = \$40,000$

Step (4): $\$40,000 - \$250 = \$39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3: (Underinsurance)

When: The value of the property is:

Bldg. at Location No. 1 \$75,000

Bldg. at Location No. 2 100,000

Personal Property at Location No. 2 75,000

\$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Locations No. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is:

Bldg. at Location No. 2 \$30,000

Personal Property at Location No. 2 20,000

SINGLETON TRAVELERS/00027

\$50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000/\$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgage Holders

a. The term, mortgage holder, includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and

COMMERCIAL PROPERTY

- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 146

The amount of insurance is
 $\$100,000 \times .08 \times 146/365 = \$3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Property of others;
 - (2) Obsolete property which is not in use;
 - (3) Residential personal property or personal effects;
 - (4) Awnings or floor coverings;
 - (5) Appliances for cooking, dishwashing, laundering, refrigerating or ventilating;
 - (6) Outdoor equipment or furniture;
 - (7) Works of art, antiques or rare articles; or

SINGLETON
TRAVELERS/00028

COMMERCIAL PROPERTY

- (8) "Stock," unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides, if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**SINGLETON
TRAVELERS/00029**

COMMERCIAL PROPERTY

CAUSES OF LOSS--SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to SECTION F--DEFINITIONS.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, mine subsidence, landslide, or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water which backs up through sewers or drains except for any

SINGLETON
TRAVELERS/00030

COMMERCIAL PROPERTY

resulting insured direct physical loss by:

- (a) Fire, explosion or fire protective equipment damage; or
- (b) Water back-up, other than from a septic tank or cesspool, when the cause of the water back-up originates on the designated premises;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

h. Legal Proceeding

Legal process involving appropriation of property for any reason or repossession of property for noncompliance with a loan agreement.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.
But if loss or damage by fire results, we will pay for that resulting loss or damage.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Insects, birds, rodents or other animals;
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or

(7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature;
- (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, or powders that leak or flow from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do

SINGLETON
TRAVELERS/00031

COMMERCIAL PROPERTY

so by any fraudulent scheme, trick, device or false pretense.

- j. Rain, snow, sand, dust, ice or sleet to personal property in the open.
 - k. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.
 - l. Release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss."
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in B.1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms when they are part of this policy.

- a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock."
 This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss of or damage to radio or television antennas, including their lead-in wiring, masts or towers.

- (3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following Exclusions do not apply to insurance under this Coverage Form:

SINGLETON
TRAVELLERS/00032

COMMERCIAL PROPERTY

- (a) Paragraph B.1.a., Ordinance or Law;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Power Failure; and
- (e) Paragraph B.1.f. War and Military Action.

(2) Contractual Liability

We will not defend any claim or suit, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(3) Nuclear Hazard

We will not defend any claim or suit, or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS**1. We will not pay for loss of or damage to:**

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in 6.a. following.
 - e. Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
 - g. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay more for loss of or damage to glass that is part of a building or structure than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$500 for all loss of or damage to building glass that occurs at any one time. This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.
3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
- a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
 - b. Animals, and then only if they are killed or their destruction is made necessary.
 - c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass that is part of a building or structure;
 - (2) Containers of property held for sale; or
 - (3) Photographic or scientific instrument lenses.

**SINGLETON
TRAVELERS/00033**

COMMERCIAL PROPERTY

- d. Builders' machinery, tools, and equipment you own or that are entrusted to you while away from the premises described in the Declarations, except as provided in paragraph 6.b. following.
- 4. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$5,000 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets and letters of credit.

- 5. We will not pay for loss of or damage to Covered Property at a building shown in the Declarations:

By any cause of loss while:

The building is "vacant," if it has been "vacant" for 60 consecutive days immediately before the loss.

If the building is shown as "vacant" in the Declarations, none of this limitation applies.

- 6. **Builders' Risk Coverage Form Limitations**
The following provisions apply only to the Builders' Risk Coverage Form.
 - a. Limitation 1.d. is replaced by the following:
 - d. Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
 - b. Limitation 3.d. is replaced by the following:
 - d. Builders' machinery, tools and equipment you own or that are entrusted to you.

D. ADDITIONAL COVERAGE--COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- 1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- 2. Hidden decay;
- 3. Hidden insect or vermin damage;
- 4. Weight of people or personal property;
- 5. Weight of rain that collects on a roof;
- 6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers; wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion. This Additional Coverage will not increase the Limit of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

- 1. **Property In Transit.** This Extension applies only to Your Business Personal Property to which this form applies.
 - a. You may extend the insurance provided by this Coverage Part to apply to your Business Personal Property (other than property in the care or control of your salespersons) in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. This Extension does not apply to property in the care, custody or control of your salespersons or to tools, equipment, supplies and materials all used for service or repair in your business and usually kept in a motor vehicle.
 - b. Loss or damage must be caused by or result from one of the following causes of loss:

**SINGLETON
TRAVELERS/00034**

COMMERCIAL PROPERTY

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$2,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. **Water Damage, Other Liquids, Powder or Molten Material Damage.** If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system;
- b. Is directly caused by freezing.

3. **Building Damage By Theft.** You may extend coverage for loss or damage by theft which applies to your Business Personal Property to that part of the building you occupy and which contains your insured personal property, and to property within the building used for maintenance or service of the building, if you are liable for such damage.

We shall not be liable under this Extension of Coverage for damage by fire or explosion, or to glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

F. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
3. A building is "vacant" when it does not contain enough business personal property to conduct customary operations.

**SINGLETON
TRAVELERS/00035**

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL PROPERTY
ISSUE DATE: 09-19-03**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****FUNGUS, ROT, BACTERIA AND OTHER
CAUSES OF LOSS CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. SCHEDULE**Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage:****Direct Damage – Increased Limit of Insurance \$****Business Income/Extra Expense – Increased Number of Days****B. THE CAUSES OF LOSS – BASIC FORM,
CAUSES OF LOSS – BROAD FORM AND
CAUSES OF LOSS – SPECIAL FORM are re-
vised as follows:**

1. The following exclusion is added to Section B.1.:

"Fungus", Wet Rot, Dry Rot and Bacteria

- a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a:

- (1) Covered Cause of Loss under the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM; or
- (2) "Specified cause of loss" under the CAUSES OF LOSS – SPECIAL FORM;

we will pay for the loss or damage caused by that "specified cause of loss".

- b. This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage - Limited "Fungus", Wet Rot, Dry Rot and Bacteria in Section B.3. of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.

2. The following exclusion:

- a. Is added to exclusion B.2.c. in the CAUSES OF LOSS – BASIC FORM;
- b. Replaces paragraph b. of the Water Damage Covered Causes of Loss in Section A. of the CAUSES OF LOSS – BROAD FORM; and
- c. Replaces exclusion B.2.f. in the CAUSES OF LOSS – SPECIAL FORM:

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more.

3. The following Additional Coverage is added:

**Additional Coverage - Limited "Fungus",
Wet Rot, Dry Rot and Bacteria**

- a. The coverage described in b. and c. below only applies when the "fungus", wet or dry rot or bacteria is the result of:

- (1) A Covered Cause of Loss, other than fire or lightning, that occurs during the policy period when the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM applies; or
- (2) A "specified cause of loss", other than fire or lightning, that occurs during the policy period when the CAUSES OF LOSS – SPECIAL FORM applies;

and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.

**SINGLETON
TRAVELERS/00036**

COMMERCIAL PROPERTY

b. Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage

(1) We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including:

- (a) The cost of removal of the "fungus", wet or dry rot or bacteria;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

(2) The coverage described in b.(1) above is limited to \$15,000 unless an Increased Limit of Insurance is indicated in the Schedule of this endorsement for Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of:

- (a) Covered Causes of Loss (other than fire or lightning) under the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM; or
- (b) "Specified causes of loss" (other than fire or lightning) under the CAUSES OF LOSS – SPECIAL FORM;

which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of this annual limit even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

(3) The coverage provided under this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.

(4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage.

c. Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Business Income and Extra Expense

The following Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Expense coverage applies to the described premises and only if the suspension of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

(1) If the loss which results in the "fungus", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet or dry rot or bacteria, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(2) If a covered suspension of "operations" is caused by loss or damage at

SINGLETON
TRAVELERS/00037
CP T3 68 04 02

COMMERCIAL PROPERTY

the described premises by other than "fungus", wet or dry rot or bacteria, but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

When an Increased Number of Days is indicated in the Schedule of this endorsement for Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Business Income and Extra Expense, the "30 days" in paragraphs c.(1) and c.(2) above is deleted and replaced by the number of days indicated in the Schedule.

The coverage provided under this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Business Income and Extra Expense is included in, and does not increase the applicable Business Income and/or Extra Expense Limit of Insurance.

d. The terms of this Limited Coverage do not increase or reduce the coverage provided in:

(1) The CAUSES OF LOSS – BASIC FORM under paragraph 9.a.(2) of Covered Causes of Loss A.9., Sprinkler Leakage;

(2) The CAUSES OF LOSS – BROAD FORM under paragraph 9.a.(2) of Covered Causes of Loss A.9., Sprinkler Leakage, or under Covered Causes of Loss Water Damage, for the cost to tear out and replace parts of the building or structure to repair damage to the system or appliance from which water or steam escapes, or under the Additional Coverage – Collapse; or

(3) The CAUSES OF LOSS – SPECIAL FORM under the Water Damage, Other Liquids, Powder or Molten Material Damage Additional Coverage Extension or under the Additional Coverage – Collapse.

4. The following Definition is added:

"Fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

C. ADDITIONAL CHANGE TO THE CAUSES OF LOSS – BROAD FORM

The following is added under paragraph b. of the Falling Objects Covered Causes of Loss in Section A.:

Any portion of a building or structure that is within the exterior-facing surface material of a building or structure shall constitute the interior of that building or structure.

D. ADDITIONAL CHANGES TO THE CAUSES OF LOSS – SPECIAL FORM

1. Under exclusion B.2.d.(2), reference to fungus is deleted.

2. The following is added to Limitation C.1.c.:

Any portion of a building or structure that is within the exterior-facing surface material of a building or structure shall constitute the interior of that building or structure.

3. Definition F.2., "Specified Causes of Loss", is deleted and replaced by the following:

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse as defined below; volcanic action; falling objects as limited below; weight of snow, ice or sleet; and water damage as defined below; all only as otherwise insured against in this Coverage Part.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss or damage to:

Personal property in the open; or

The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object. Any portion of a building or

**SINGLETON
TRAVELERS/00038**

COMMERCIAL PROPERTY

structure that is within the exterior-facing surface material of a building or structure shall constitute the interior of that building or structure.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified causes of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Part.

E. ORDINANCE OR LAW COVERAGE CHANGE

Under:

1. Ordinance or Law Coverage endorsement CP 04 05;

2. Ordinance or Law – Increased "Period of Restoration" endorsement CP 15 31; and
3. Any other Ordinance or Law coverage or Ordinance or Law - Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- b. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet or dry rot or bacteria.

**SINGLETON
TRAVELERS/00039**

CP T3 68 04 02

COMMERCIAL PROPERTY

AMENDATORY PROVISIONS

The following provisions apply only when stated in the COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS and only to the premises so indicated.

NO. 1 - AMENDATORY PROVISIONS APPLICABLE TO APARTMENT BUILDINGS

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. Covered Property, Building

Building Coverage is extended to include lobby and hallway furnishings owned by you.

2. Coverage Extensions

When Your Business Personal Property is not insured by this or any other policy, you may extend the insurance which applies to Building to include the following Coverage Extensions:

- a. Personal Effects and Property of Others;
- b. Valuable Papers and Records.

Property of Others does not include property of your tenants or their guests whether the extension applies under Buildings or Personal Property.

B. CAUSES OF LOSS - BROAD AND SPECIAL FORMS

Under Item B, EXCLUSIONS, the exclusion for loss or damage caused by or resulting from explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, does not apply except to loss to steam boilers, steam pipes, steam engines and steam turbines.

C. CAUSES OF LOSS SPECIAL FORM

The most we will pay for loss or damage under the ADDITIONAL COVERAGE EXTENSIONS - Property In Transit is changed from \$2,000 to \$5,000.

NO. 2 - AMENDATORY PROVISIONS APPLICABLE TO AUTO DEALERS, GARAGES AND SERVICE STATIONS

CAUSES OF LOSS BROAD AND SPECIAL FORMS

Under Item B, EXCLUSIONS, the exclusion for loss or damage caused by or resulting from explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, does not apply except to loss to steam boilers, steam pipes, steam engines and steam turbines.

NO. 3 - AMENDATORY PROVISIONS APPLICABLE TO PROCESSING AND SERVICING BUSINESSES, RETAIL AND WHOLESALE STORES

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Seasonal Automatic Increase - The Limit Of Insurance for Your Business Personal Property at a designated premises location and building as stated in the Commercial Property Coverage Part Declarations shall be increased by 25% for seasonal variations, subject to a maximum increase of \$100,000 for all premises locations and buildings subject to this provision and insured under this policy. This increase shall not apply:

1. Unless the stated Limit Of Insurance equals 100% of your average monthly values at the designated premises location and building for the 12 months immediately preceding the date of loss, or in the event you have been in business less than twelve months, for such shorter period of time; or
2. If "Your Business Personal Property" Limit Of Insurance is a "Blanket" limit as indicated on the Commercial Property Coverage Part Declarations or is subject to the Value Reporting Form.

B. CAUSES OF LOSS - BROAD AND SPECIAL FORMS

Under Item B, EXCLUSIONS, the exclusion for loss or damage caused by or resulting from explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, does not apply except to loss to steam boilers, steam pipes, steam engines and steam turbines.

NO. 4 - AMENDATORY PROVISIONS APPLICABLE TO LESSORS OF BUILDINGS

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. Covered Property, Building

Building Coverage is extended to include lobby and hallway furnishings owned by you.

2. Coverage Extensions

When Your Business Personal Property is not insured by this or any other policy, you

**SINGLETON
TRAVELERS/00040**

COMMERCIAL PROPERTY

may extend the insurance which applies to Building to include the following Coverage Extensions:

- a. Personal Effects and Property of Others;
- b. Valuable Papers and Records.

Property of Others does not include property of your tenants or their guests whether the extension applies under Buildings or Personal Property.

B. CAUSES OF LOSS-SPECIAL FORM

The most we will pay for loss or damage under the ADDITIONAL COVERAGE EXTENSIONS - Property In Transit is changed from \$2,000 to \$5,000.

NO. 5 - AMENDATORY PROVISIONS APPLICABLE TO INSTITUTIONS

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Coverage Extensions - The most we will pay for the following coverage extensions is amended as follows:

1. Valuable Papers and Records - \$10,000 at each described premises.
2. Extra Expense - \$5,000 in total in any one occurrence wherever incurred.

B. CAUSES OF LOSS - BROAD AND SPECIAL FORMS

Under Item B, EXCLUSIONS, the exclusion for loss or damage caused by or resulting from explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, does not apply except to loss to steam boilers, steam pipes, steam engines and steam turbines.

C. CAUSES OF LOSS SPECIAL FORM

The most we will pay for loss or damage under the ADDITIONAL COVERAGE EXTENSIONS - Property In Transit is changed from \$2,000 to \$5,000.

NO. 6 AMENDATORY PROVISIONS APPLICABLE TO MANUFACTURERS

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Seasonal Automatic Increase - The Limit Of Insurance for Your Business Personal Property at a designated premises location and building as stated in the Commercial Property Coverage Part Declarations shall be increased by 25% for seasonal variations, subject to a maximum increase

of \$100,000 for all premises locations and buildings subject to this provision and insured under this policy. This increase shall not apply:

1. Unless the stated Limit Of Insurance equals 100% of your average monthly values at the designated premises location and building for the 12 months immediately preceding the date of loss, or, in the event you have been in business less than twelve months, for such shorter period of time; or
2. If "Your Business Personal Property" Limit Of Insurance is a "Blanket" limit as indicated on the Commercial Property Coverage Part Declarations or is subject to the Value Reporting Form.

NO. 7 - AMENDATORY PROVISIONS APPLICABLE TO OFFICES

CAUSES OF LOSS - BROAD AND SPECIAL FORMS

Under Item B, EXCLUSIONS, the exclusion for loss or damage caused by or resulting from explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, does not apply except to loss to steam boilers, steam pipes, steam engines and steam turbines.

NO. 8 AMENDATORY PROVISIONS APPLICABLE TO CONDOMINIUMS

A. CONDOMINIUM ASSOCIATION COVERAGE FORM

1. Covered Property, Building

Building Coverage is extended to include lobby and hallway furnishings owned by you.

2. Coverage Extensions

When Your Business Personal Property is not insured by this or any other policy, you may extend the insurance which applies to Building to include the following Coverage Extensions:

- a. Personal Effects and Property of Others;
- b. Valuable Papers and Records.

Property of Others does not include property of a condominium unit owner or property of or their guests whether the extension applies under Buildings or Personal Property.

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TRAVELERS/00041**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of "Insured Losses" caused by certain "Acts of Terrorism" (each as defined in the Act).

In the event of an *Insured Loss*, Travelers is responsible for a deductible of one percent (1%) of Travelers "Direct Earned Premiums" (as used in the Act) for the calendar year 2001 for *Insured Losses* occurring from November 26, 2002 through December 31, 2002; seven percent (7%) of Travelers *Direct Earned Premiums* for the calendar year 2002 for *Insured Losses* occurring during calendar year 2003; ten percent (10%) of Travelers *Direct Earned Premiums* for the calendar year 2003 for *Insured Losses* occurring during calendar year 2004; or fifteen percent (15%) of Travelers *Direct Earned Premiums* for the calendar year 2004 for *Insured Losses* occurring during calendar year 2005. The Federal Government's share of compensation for *Insured Losses* in each year is 90% of the amount of *Insured Losses* in excess of Travelers deductible for that year. Travelers is responsible for the payment of the remaining 10% of *Insured Losses*. In no event, however, will the Federal Government or any "Insurer" (as defined in the Act) be required to pay

any portion of the amount of aggregate *Insured Losses* occurring in any one year that exceeds \$100,000,000,000, provided that such *Insurer* has met its deductible.

As a requirement of the Act, Insurers must make available "Property and Casualty Insurance" (as defined in the Act) coverage for *Insured Losses* that does not differ materially from the terms, amounts and other coverage limitations that apply to losses arising from events other than *Acts of Terrorism*. In other words, a loss will not be excluded just because it was caused by an *Act of Terrorism*; conversely, a loss will not be covered just because it was caused by an *Act of Terrorism*. The Act also requires *Insurers* to disclose to policyholders the premium charge for providing such terrorism coverage.

Please note that this Coverage Part does not contain an exclusion that specifically excludes coverage for *Insured Losses*. The charge for this exposure is included in the Coverage Part premium. The charge that has been included for this Coverage Part is:

- 7% of your total Commercial Property Coverage Part premium if your primary location is in a Designated City (as listed below).
- 3% of your total Commercial Property Coverage Part premium if your primary location is not in a Designated City (as listed below).

Designated Cities are:

Albuquerque, NM	El Paso, TX	Miami, FL	San Diego, CA
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Antonio, TX
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

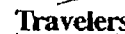
**SINGLETON
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GENERAL LIABILITY



SINGLETON
TRAVELERS/00044

One Tower Square, Hartford, Connecticut 06183

TravelersCOMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONSPOLICY NO.: X-660-333X9953-TCT-03
ISSUE DATE: 09-19-03INSURING COMPANY:
THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

DECLARATIONS PERIOD: From 11-23-03 to 11-23-04 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial General Liability Coverage Part consists of these Declarations and the Coverage Form shown below.

1. COVERAGE AND LIMITS OF INSURANCE:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM	LIMITS OF INSURANCE
General Aggregate Limit (Other than Products-Completed Operations)	\$ 2,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Fire Damage Limit (any one fire)	\$ 100,000
Medical Expense Limit (any one person)	\$ 5,000

2. AUDIT PERIOD: NONE

3. FORM OF BUSINESS: INDIVIDUAL

4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMITSINGLETON
TRAVELERS/00045

CG TO 01 03 94

Page 1 of 1

PRODUCER: UREN HARRISON KENNEDY

NI160 OFFICE: CGS - SAC APPLIES 019

DECLARATIONS PREMIUM SCHEDULE

POLICY NUMBER: X-660-333X9953-TCT-03

This Schedule applies to the Declarations for the period of 11-23-03 to 11-23-04

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

OPN NO.	LOC/ BLDG NO.	CLASS DESCRIPT/ CODE NO.	SUBLINE	PREMIUM BASE/ EXPOSURE	RATES	ADVANCE PREMIUM
MINIMUM PREMIUMS						
		PREM/OPS		\$207		
		LOB		\$250		
1/ 1 DAY CARE CENTERS - OTHER THAN NOT-FOR-PROFIT INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS						
001		41715 EACH	PREM/OPS	T PERSON	24 34.094	818
HIRED AND NONOWNED AUTO EXCESS LIABILITY						
002		39097	PREM/OPS			80
COVERAGE PART TOTAL						898

*This class is subject to the prem/ops transition program.

SINGLETON
TRAVELERS/00046☐ If an "X" is entered in this box, these Declarations are completed on the Premium Schedule Extension CG TO 12.

KEY TO DECLARATIONS PREMIUM SCHEDULE**ABBREVIATIONS:**

- CLASS DESCRIP —means CLASS DESCRIPTION
- LOC/BLDG NO. — means LOCATION/BUILDING NUMBER
- OPN NO. —means OPERATION NUMBER
- PREM/OPS —means PREMISES/OPERATIONS
- PROD/C-OPS —means PRODUCTS/COMPLETED OPERATIONS

PREMIUM BASE:

Key Letter	Premium Base	How Rates Apply
a	Area	per 1,000 square feet
c	Total Cost	per \$1,000 of total cost
m	Admissions	per 1,000 admissions
p	Payroll	per \$1,000 of payroll
s	Gross Sales	per \$1,000 of gross sales
t	(see note * below)	(see note * below)
u	Units	per unit

*Premium base t is used for a number of rarely used premium bases. The specific base and how rates apply are shown with the Class Description on the DECLARATIONS-PREMIUM SCHEDULE.

TABLE OF CONTENTS

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
(CG 00 01 10 93)**

SECTION I--COVERAGES

Beginning on Page

Coverage A--	Insuring Agreement.....	1
Bodily Injury		
and Property	Exclusions.....	1
Damage Liability		

Coverage B--	Insuring Agreement.....	4
Personal and		
Advertising	Exclusions.....	4
Injury Liability		

Coverage C--	Insuring Agreement.....	4
Medical Payments	Exclusions.....	5

Supplementary Payments	5
------------------------	---

SECTION II--WHO IS AN INSURED.....	5
------------------------------------	---

SECTION III--LIMITS OF INSURANCE.....	6
---------------------------------------	---

SECTION IV--COMMERCIAL GENERAL LIABILITY CONDITIONS.....	7
--	---

Bankruptcy.....	7
Duties in the Event of Occurrence, Claim or Suit.....	7
Legal Action Against Us.....	7
Other Insurance.....	8
Premium Audit.....	8
Representations.....	8
Separation of Insureds.....	8
Transfer of Rights of Recovery Against Others To Us.....	9
When We Do Not Renew.....	9

SECTION V--DEFINITIONS.....	9
-----------------------------	---

**SINGLETON
TRAVELERS/00048**

COMMERCIAL GENERAL LIABILITY

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

2. Exclusions.

This insurance does not apply to:

- a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

- b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

- c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**SINGLETON
TRAVELERS/00049**

COMMERCIAL GENERAL LIABILITY

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

(i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and

**SINGLETON
TRAVELERS/00050**

COMMERCIAL GENERAL LIABILITY

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage to Property

"Property damage" to:

(1) Property you own, rent, or occupy;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

**SINGLETON
TRAVELERS/00051**

COMMERCIAL GENERAL LIABILITY

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION III).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**1. Insuring Agreement.**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

b. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

COVERAGE C. MEDICAL PAYMENTS**1. Insuring Agreement.**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the

**SINGLETON
TRAVELERS/00052**

COMMERCIAL GENERAL LIABILITY

applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard."
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

We will pay with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit."

6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
 - a. Your "employees," other than your "executive officers," but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or

**SINGLETON
TRAVELERS/00053**

COMMERCIAL GENERAL LIABILITY

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees" or, if you are a partnership or joint venture, by any partner or member.

b. Any person (other than your "employee"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits."

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C;

b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence."

**SINGLETON
TRAVELERS/00054**

COMMERCIAL GENERAL LIABILITY

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal pa-

pers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**SINGLETON
TRAVELERS/00055**

COMMERCIAL GENERAL LIABILITY

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire Insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other Insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

**SINGLETON
TRAVELERS/00056**

COMMERCIAL GENERAL LIABILITY

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
 Paragraph f. does not include that part of any contract or agreement:
 - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

**SINGLETON
TRAVELERS/00057**

COMMERCIAL GENERAL LIABILITY

- (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
10. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."
11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance but not construction or surfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
13. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.

**SINGLETON
TRAVELERS/00058**

COMMERCIAL GENERAL LIABILITY

14. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
- (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned.
- b. "Your work" will be deemed completed at the earliest of the following times:
- (1) When all of the work called for in your contract has been completed.
 - (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- c. This hazard does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.
15. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
16. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
17. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- "Your product" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - b. The providing of or failure to provide warnings or instructions.
- "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.
18. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
19. "Your work" means:
- a. Work or operations performed by you or on your behalf; and
 - b. Materials, parts or equipment furnished in connection with such work or operations.
- "Your work" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - b. The providing of or failure to provide warnings or instructions.

**SINGLETON
TRAVELERS/00059**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURING AGREEMENT— KNOWN INJURY OR DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)

Paragraph 1. **Insuring Agreement of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limit Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive no-

tice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**SINGLETON
TRAVELERS/00060**

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL GENERAL LIABILITY

ISSUE DATE: 09-19-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED — MORTGAGEE, ASSIGNEE, OR RECEIVER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

TEXTRON BUSINESS CREDIT, ISAOA

275 WEST NATICK ROAD

WARWICK

RI 02886

Designation of Premises:

8010 HOLANDA LANE

DUBLIN

CA 94568

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance or use of the premises by you and shown in the Schedule
2. This insurance does not apply to structural alterations, new construction or demolition operations performed by or for that person or organization.

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TRAVELERS/00061

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of

2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5. million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**SINGLETON
TRAVELERS/00062**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE – ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

Paragraph 4.b. of CONDITIONS (SECTION IV) is amended as follows:

b. Excess Insurance

This insurance is excess over any of the other insurance; whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk, or similar coverage for "your work";
- (2) That is Fire Insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (3) If the loss arises out of the maintenance or use of aircraft, "autos", or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I); or
- (4) That is valid and collectible insurance available to you if you are added as an additional insured under any other policy.

When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**SINGLETON
TRAVELERS/00063**

POLICY NUMBER: X-660-333X9953-TCT-03

COMMERCIAL GENERAL LIABILITY
ISSUE DATE: 09-19-03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**HIRED AND NONOWNED AUTO EXCESS LIABILITY
ENDORSEMENT**

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE**COVERAGE**

Hired and Nonowned Auto Liability

ADDITIONAL PREMIUM

\$ 80

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement).

PROVISIONS

A. If a premium charge is shown in the Schedule, the insurance provided under **COVERAGE A** (Section I) applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto".

B. With respect to the insurance provided by this endorsement:

1. The exclusions, under **COVERAGE A** (Section I), other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:

a. "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

b. "Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment.

2. **WHO IS AN INSURED** (Section II) is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- a. You;
- b. Anyone else including any partner or executive officer of yours while using with your permission a "hired auto" or a "non-owned auto" except:

(1) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;

(2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;

(3) Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

(4) Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;

(5) Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

(6) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(7) Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or

**SINGLETON
TRAVELERS/00064**

COMMERCIAL GENERAL LIABILITY

- c. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under a. or b. above.

3. ADDITIONAL DEFINITIONS

- a. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."
- b. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - (1) Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - (2) Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- c. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

4. AMENDED DEFINITIONS

Definition 6. "insured contract" of the DEFINITIONS section is amended by the addition of the following to the paragraph (An "insured contract" does not include that part of any contract or agreement):

- d. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - e. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- C. The insurance provided by this endorsement is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto."

**SINGLETON
TRAVELERS/00065**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLEGES AND SCHOOLS XTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the PROVISIONS of this endorsement carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <p>A. Broadened Definition of Insured</p> <p>B. Fire Damage Liability Extension</p> <ul style="list-style-type: none"> • Perils of fire, explosion, lightning, smoke, water • Limit increased to \$300,000 <p>C. Blanket Waiver of Subrogation</p> <p>D. Amendment Of Coverage Territory (Limited Worldwide Coverage)</p> <p>E. Incidental Medical Malpractice</p> <p>F. Personal Injury – Assumed by Contract</p> <p>G. Extension of Coverage – Bodily Injury</p> <p>H. Injury to Co-Employees</p> <p>I. Aircraft Chartered with Crew</p> | <p>J. Extension of Watercraft Coverage</p> <ul style="list-style-type: none"> • Nonowned increased from 25 feet to 50 feet • Owned non-submersibles covered: <ul style="list-style-type: none"> – less than 26 feet and 125 HP – rowing shell or scull regardless of length <p>K. Increased Supplementary Payments</p> <ul style="list-style-type: none"> • Cost for bail bonds increased to \$2,500 • Loss of earnings increased to \$500 per day <p>L. Knowledge and Notice of Occurrence or Offense</p> <p>M. Unintentional Omission</p> <p>N. Reasonable Force – Bodily Injury or Property Damage</p> |
|---|---|

PROVISIONS**A. BROADENED DEFINITION OF INSURED**

WHO IS AN INSURED (Section II) is amended as follows:

1. Any subsidiary over which you maintain ownership or majority interest is a Named Insured, but only if you owned or controlled it on the effective date of this policy.
2. Each of the following is also an insured:
 - a. Your trustees, board members or commissioners, but only with respect to their duties as your trustees, board members or commissioners.
 - b. Any person while acting as a student teacher as part of their educational requirements with you.
 - c. Any person(s) who are volunteer worker(s) for you, but only while acting at your direction and within the scope of their duties.

However, no volunteer is an insured for:

(1) "Bodily injury" to:

- (a) A co-volunteer or your "employee" arising out of and in the course of their duties for you; or
- (b) You, or if you are a partnership or joint venture, any partner or member thereof.

(2) "Property damage" to property owned, occupied or used by, rented to, in the care, custody, or control of, or over which physical control is being exercised for any purpose by:

- (a) A co-volunteer or your "employee"; or
- (b) You, or if you are a partnership or joint venture, any partner or member thereof.
- d. With respect to liability arising out of your operations or premises owned by or rented to you, any person or organization for whom you agreed in writing to provide insurance, provided the "bodily injury" or

SINGLETON
TRAVELERS/00066

COMMERCIAL GENERAL LIABILITY

"property damage" occurred subsequent to the execution of the agreement.

This policy will afford such person or organization the lesser of the limits of insurance stated below:

- (1) The limits of insurance you agreed to provide; or
- (2) The limits of insurance of this policy.

B. FIRE DAMAGE LIABILITY EXTENSION

1. The last paragraph of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

Exclusions c. through n. do not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Fire;
- b. Explosion;
- c. Lightning;
- d. Smoke resulting from such fire, explosion, or lightning; or
- e. Water.

A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

2. This insurance does not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Rupture, bursting, or operation of pressure relief devices;
- b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
- c. Explosion of steam boilers, steam pipes, steam engines, or steam turbines.

3. Part 6. of LIMITS OF INSURANCE (Section III) is deleted and replaced by the following:

Subject to 5. above, the Fire Damage Limit is the most we will pay under COVERAGE A. for damages because of "property damage" to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by fire, explosion, lightning, smoke resulting from such fire, explosion, or lightning, or water. The Fire Damage Limit will apply to all damage proximately caused by

the same "occurrence", whether such damage results from fire, explosion, lightning, smoke resulting from such fire, explosion, or lightning, or water, or any combination of any of these.

The Fire Damage Limit will be the higher of:

- a. \$300,000; or
- b. The amount shown on the Declarations for Fire Damage Limit.

4. Under DEFINITIONS (Section V), the definition of "insured contract" is amended so that it does not include that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Fire;
- b. Explosion;
- c. Lightning;
- d. Smoke resulting from such fire, explosion, or lightning; or
- e. Water.

5. This Provision B. does not apply if Fire Damage Legal Liability of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is excluded by endorsement.

C. BLANKET WAIVER OF SUBROGATION

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a contract with that person or organization; "your work"; or "your products". We waive this right only where you have agreed to do so as part of a written contract, executed by you prior to loss.

D. AMENDMENT OF COVERAGE TERRITORY (LIMITED WORLDWIDE COVERAGE)

1. Part 4. of DEFINITIONS (Section V) is replaced by the following:

"Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in

**SINGLETON
TRAVELERS/00067**

COMMERCE GENERAL LIABILITY

the course of travel or transportation to or from any place not included in a. above; or

- c. All other parts of the world, excluding any country or jurisdiction which at the time of the "occurrence" or offense is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America, but not including any country or jurisdiction in which the insured's activities are specifically permitted by any governmental entity of the United States of America, if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in 1.a. above; or
- (2) The activities of a person whose home is in the territory described in 1.a. above or any of the named insured's students who reside on or about the named insured's campus, but is away for a short time on your business or school activities.
- (3) The ownership, maintenance or use of any premises you acquire or control, or your operations. However, this provision applies only to premises exposures or operations exposures which exist for 60 or less days, unless you report such premises or operations to us within 60 days of your acquisition of such premises or your commencement of such operations.

2. With respect to claims or "suits" caused by an "occurrence" within the "coverage territory" described in 1.c. above, the following conditions apply:

- a. The coverage afforded hereunder shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.
- b. This insurance is not a substitute for "compulsory admitted insurance" in any jurisdiction described in 1.c. above, whether or not this insurance would qualify as "compulsory admitted insurance" in a given jurisdiction or is accepted by the

appropriate authorities as proof of "compulsory admitted insurance".

You agree to maintain "compulsory admitted insurance" at the limits required by law. Your failure to do so will not invalidate the coverage afforded by this endorsement, but we will only be liable to the same extent we would have been liable had you maintained "compulsory admitted insurance".

"Compulsory admitted insurance" means insurance that is:

- (1) Required to be in-force to satisfy the legal requirements of a given jurisdiction; and
- (2) Issued by a State Fund or an insurer licensed or permitted by law to do business in the jurisdiction where the property or exposure to loss is located.

- c. With respect to the investigation, defense or settlement of any claim or "suit" brought against you, the following will apply:

- (1) The provision of the Insuring Agreement reading "We will pay...." in Part 1. of COVERAGE A. and COVERAGE B. (Section I - Coverages) is amended to read "We will indemnify the insured for....";
- (2) You must arrange to investigate, defend or settle any claim or "suit";
- (3) You will not make any settlement without our consent;
- (4) We will pay expenses incurred with our consent;
- (5) We may, at our discretion, participate in the defense or settlement of any claim or "suit".

3. This Provision D. does not apply to "personal injury" or "advertising injury" if COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY is excluded by endorsement.

E. INCIDENTAL MEDICAL MALPRACTICE

1. The definition of "bodily injury" (paragraph 3. of DEFINITIONS - Section V) is amended to include "Incidental Medical Malpractice Injury".

**SINGLETON
TRAVELERS/00068**

COMMERCIAL GENERAL LIABILITY

2. The following definition is added to DEFINITIONS (Section V):

"Incidental medical malpractice injury" means bodily injury, mental anguish, sickness or disease sustained by a person, including death resulting from any of these at any time, arising out of the rendering of, or failure to render, the following services:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
 - c. First aid; or
 - d. "Good Samaritan services". As used in this Provision E., "Good Samaritan services" are those medical services rendered or provided in an emergency and for which no remuneration is demanded or received.
3. Paragraph 2.a.(1)(d) of WHO IS AN INSURED (Section II) does not apply to any nurse practitioner, registered nurse, licensed practical nurse, emergency medical technician, paramedic or athletic trainer employed by you, but only while performing the services described in paragraph 2. above and while acting within the scope of their employment by you. Any "employees" rendering "Good Samaritan services" will be deemed to be acting within the scope of their employment by you.
4. The following exclusion is added to paragraph 2. Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):
- (This insurance does not apply to:) Liability arising out of the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals by or with the knowledge or consent of the insured.
5. For the purposes of determining the applicable limits of insurance, any act or omission, together with all related acts or omissions in the furnishing of the services described in paragraph 2. above to any one person, will be considered one "occurrence".

6. This Provision E. does not apply to any "incidental medical malpractice injury" services for which coverage is excluded by endorsement.

7. The insurance provided by this Provision E. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

F. PERSONAL INJURY – ASSUMED BY CONTRACT

1. Paragraph 2., Exclusions of COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages) is deleted and replaced by the following:

2. Exclusions.

This insurance does not apply to:

- a. "Personal injury" or "advertising injury":
 - (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
 - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period; or
 - (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured.
- b. "Personal injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability:
 - (1) Assumed in a contract or agreement that is an "insured contract", provided the "personal injury" arises out of an offense committed subsequent to the execution of the contract or agreement; or
 - (2) That the insured would have in the absence of the contract or agreement.
- c. "Advertising injury":
 - (1) Arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract;

**SINGLETON
TRAVELERS/00069**

COMMERCIAL GENERAL LIABILITY

- (2) Arising out of the failure of goods, products or services to conform with advertised quality or performance;
- (3) Arising out of the wrong description of the price of goods, products or services;
- (4) Arising out of an offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting; or
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

2. Subparagraph f. of the definition of "insured contract" (DEFINITIONS – Section V) is deleted and replaced by the following:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

3. This Provision F. does not apply if COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY is excluded by endorsement.

G. EXTENSION OF COVERAGE – BODILY INJURY

The definition of "bodily injury" (DEFINITIONS – Section V) is deleted and replaced by the following:

"Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

H. INJURY TO CO-EMPLOYEES

- 1. It is agreed that your "employees" are insureds with respect to "bodily injury" to a co-"employee" in the course of the co-"employee's" employment by you, provided that this coverage for your "employees" does not apply to acts outside the scope of their

employment by you or while performing duties unrelated to the conduct of your business.

- 2. Subparagraphs 2.a.(1)(a), (b) and (c) and 3.a. of WHO IS AN INSURED (Section II) do not apply to "bodily injury" for which insurance is provided by paragraph 1. above.

I. AIRCRAFT CHARTERED WITH CREW

- 1. The following is added to the exceptions contained in exclusion g. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

(This exclusion does not apply to:) Aircraft chartered with crew to any insured.

- 2. This Provision I. does not apply if the chartered aircraft is owned by any insured.
- 3. The insurance provided by this Provision I. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

J. EXTENSION OF WATERCRAFT COVERAGE

- 1. The exception contained in Part (2) of exclusion g. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

(2) A watercraft you do not own that is:

- (a) Fifty feet long or less; and
- (b) Not being used to carry persons or property for a charge;

- 2. The following is added to the exceptions contained in exclusion g. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

(This exclusion does not apply to:) Any non-submersible watercraft you own that is not used to carry persons or property for a charge and that is:

- (a) Less than 26 feet long and, if powered, is powered by no more than a 125 HP motor; or
- (b) A rowing shell or scull regardless of length.

- 3. This Provision J. applies to any person who, with your expressed or implied consent, either

**SINGLETON
TRAVELERS/00070**

COMMERCIAL GENERAL LIABILITY

uses or is responsible for the use of a watercraft.

4. The insurance provided by this Provision J. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

K. INCREASED SUPPLEMENTARY PAYMENTS

Parts 2. and 4. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I – Coverages) are amended as follows:

1. In Part 2. the amount we will pay for the cost of bail bonds is increased to \$2500.
2. In Part 4. the amount we will pay for loss of earnings is increased to \$500 a day.

L. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

1. The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 2. (Duties In The Event of Occurrence, Offense, Claim or Suit):

Notice of an "occurrence" or of an offense which may result in a claim under this insurance shall be given as soon as practicable after knowledge of the "occurrence" or offense has been reported to you, one of your executive officers (if you are a corporation), one of your partners (if you are a partnership), one of your managers (if you are a limited liability company), or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice.

Knowledge by other "employee(s)" of an "occurrence" or of an offense does not imply that you also have such knowledge.

2. Notice shall be deemed prompt if given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us as soon as practicable after you, one of your "executive officers" (if you are a corporation),

one of your partners (if you are a partnership), one of your managers (if you are a limited liability company), or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice discovers that the "occurrence", offense or claim may involve this policy.

3. However, this Provision L. does not apply as respects the specific number of days within which you are required to notify us in writing of the abrupt commencement of a discharge, release or escape of "pollutants" which causes "bodily injury" or "property damage" which may otherwise be covered under this policy.

M. UNINTENTIONAL OMISSION

The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 6. (Representations):

The unintentional omission of, or unintentional error in, any information provided by you shall not prejudice your rights under this insurance. However, this Provision M. does not affect our right to collect additional premium or to exercise our right of cancellation or nonrenewal in accordance with applicable state insurance laws, codes or regulations.

N. REASONABLE FORCE – BODILY INJURY OR PROPERTY DAMAGE

Exclusion 2.a. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE (Section I – Coverages) is deleted and replaced by the following:

(This insurance does not apply to:)

a. Expected or Intended Injury or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**SINGLETON
TRAVELERS/00071**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES IN COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

A. Paragraph 1.a. of COVERAGE A. – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.

B. Paragraph 2.b. of COVERAGE A. – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

2. Exclusions

This insurance does not apply to:

b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

C. Paragraph 1.a. of COVERAGE B. – PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages) is deleted and replaced by the following:

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance

**SINGLETON
TRAVELERS/00072**

COMMERCIAL GENERAL LIABILITY

applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.

D. The following is added to Paragraph 2. Exclusions of COVERAGE B. – PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages):

(This insurance does not apply to:)

1. "Personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
2. Any loss, cost or expense arising out of any:
 - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

E. SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I – Coverages) is amended as follows:

1. The first sentence is deleted and replaced by the following:

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

2. Paragraph 4. is deleted and replaced by the following:

4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

3. The following is added:

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and we agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";

**SINGLETON
TRAVELERS/00073**

- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
- (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

F. WHO IS AN INSURED (Section II) is amended as follows in order to specifically include Limited Liability Companies:

- 1. Paragraphs 1. and 2.a. are deleted and replaced by the following:
 - 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to

the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - (1) "Bodily injury" or "personal injury";
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a conse-

**SINGLETON
TRAVELERS/00074**

COMMERCIAL GENERAL LIABILITY

quence of paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

2. The first sentence of paragraph 4. is deleted and replaced by the following:

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

3. The final paragraph is deleted and replaced by the following:

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

G. Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit (Section IV – Commercial General Liability Conditions) is amended as follows:

1. Paragraph c.(3) is deleted and replaced by the following:

c. You and any other involved insured must:

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

2. Paragraph d. is deleted and replaced by the following:

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

H. Condition 4. Other Insurance (Section IV – Commercial General Liability Conditions) is amended as follows:

The first two paragraphs of paragraph b. are deleted and replaced by the following:

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
(2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
(3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I – Coverages).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

I. DEFINITIONS (Section V) is amended as follows:

1. Definition 8. "insured contract" is amended as follows:

- a. Subpart f.(2)(a) is deleted and replaced by the following:

- (a) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

**SINGLETON
TRAVELERS/00075**

CORP. GENERAL LIABILITY

b. Subpart f.(3) is deleted and replaced by the following:

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failing to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

2. Definition 14. "products-completed operations hazard" is amended as follows:

Paragraph c.(1) is deleted and replaced by the following:

c. This hazard does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned

or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

3. Definition 16. "suit" is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**SINGLETON
TRAVELERS/00076**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – NON CUMULATION OF EACH
OCCURRENCE LIMIT OF LIABILITY and
NON CUMULATION OF PERSONAL and ADVERTISING
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:

Non cumulation of Each Occurrence Limit – If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:

Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

**SINGLETON
TRAVELERS/00077**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WEB XTEND—LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART**PROVISIONS**

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION I – COVERAGES) is deleted in its entirety and replaced by the following:

COVERAGE B. PERSONAL INJURY, ADVERTISING INJURY AND WEB SITE INJURY LIABILITY**1. Insuring Agreement.**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury", "advertising injury" or "web site injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury", "advertising injury", or "web site injury" to which this insurance does not apply. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION – III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising; publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services; or

- (3) "Web site injury" caused by an offense committed in the course of the visual or audio presentation of material on "your web site" or in the numerical expression of computer code used to enable "your web site";

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

- a. "Personal injury", "advertising injury" or "web site injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (4) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

b. Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; pollutants; or
- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, pollutants.

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TRAVELERS/00078**

COMMERCIAL GENERAL LIABILITY

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

c. "Personal injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the "personal injury" arises out of an offense committed subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

d. "Advertising injury" arising out of:

- (1) Breach of contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services;
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting; or
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

e. "Web site injury":

(1) arising out of:

- (a) Breach of contract;
- (b) The failure of goods, products or services to conform with advertised quality or performance;
- (c) The wrong description of the price of goods, products or services;
- (d) Dishonest, fraudulent, criminal or malicious acts, errors or omissions committed by any insured, or by anyone for whom the insured is legally responsible, whether acting alone or with others;
- (e) An offense committed by any insured whose business is providing access

to intellectual property of others via "your web site".

(f) The hosting of an electronic chat-room or bulletin board.

(2) expected or intended by any insured.

SECTION II – WHO IS AN INSURED

The introductory sentence of paragraph 2. a. (1) Section II – Who Is An Insured is deleted and replaced by the following:

2. a. (1) "Bodily injury", "personal injury" or "web site injury":

Section II – Who Is An Insured, paragraph 4. c., is deleted and replaced by the following:

4. c. Coverage B does not apply to "personal injury", "advertising injury" or "web site injury" arising out of an offense committed before you acquired or formed the organization.

SECTION III – LIMITS OF INSURANCE

SECTION III – Limits Of Insurance, paragraph 4, is deleted and replaced by the following:

4. Subject to 2. above, the Personal, Advertising and Web Site Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury", "advertising injury" and all "web site injury" sustained by any one person or organization.

SECTION V – DEFINITIONS

ADVERTISING INJURY

The definition of "Advertising injury" (SECTION V – DEFINITIONS) is deleted in its entirety and replaced by the following:

1. "Advertising injury" means injury, arising out of one or more of the following offenses:

- a. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral, written or electronic publication of material that violates a person's right of privacy;
- c. Infringement of copyright, title or slogan.

COVERAGE TERRITORY

The definition of "Coverage Territory", (SECTION V – DEFINITIONS) is deleted in its entirety and replaced by the following:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

**SINGLETON
TRAVELERS/00079**

COMMERCIAL GENERAL LIABILITY

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
- c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above;
 - (b) The activities of a person whose home is in the territory described in a. above, but who is away for a short time on your business; or
 - (c) "Personal injury", "advertising injury", and "web site injury" offenses that take place through the Internet or similar electronic means of communication; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

INSURED CONTRACT

Subparagraph f. of the definition of "Insured Contract" (SECTION V – DEFINITIONS) is deleted and replaced by the following:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

PERSONAL INJURY

The definition of "Personal injury" (SECTION V – DEFINITIONS) is deleted in its entirety and replaced by the following:

"Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occu-

pies by or on behalf of its owner, landlord or lessor;

- d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral, written or electronic publication of material that violates a person's right of privacy.

SUIT

The definition of "Suit" (SECTION V – DEFINITIONS) is deleted in its entirety and replaced by the following:

"Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury", "advertising injury" or "web site injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

The following definitions are added to SECTION V – DEFINITIONS

WEB SITE INJURY

"Web site injury", means injury, other than "personal injury" or "advertising injury", arising out of one or more of the following offenses:

- a. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral, written or electronic publication of material that violates a person's right of privacy;
- c. Oral, written or electronic publication of material that violates a person's right of publicity; or
- d. Infringement of copyright, title or slogan.

YOUR WEB SITE

"Your web site" means all computer files and data which may be accessed via the Internet using a Universal Resource Locator that includes any domain name owned by or assigned to you.

**SINGLETON
TRAVELERS/00080**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage:**

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

- a. "Personal injury" or "advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**SINGLETON
TRAVELERS/00081**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT – RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):**

This insurance does not apply to:

1. "Bodily injury" to:

- a. A person arising out of any:**
 - (1) Refusal to employ that person;**
 - (2) Termination of that person's employment; or**
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or**
- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.**

This exclusion applies

- a. whether the insured may be held liable as an employer or in any other capacity; and**
- b. to any obligation to share damages with or repay someone else who must pay damages because of the injury.**

- B. The following exclusion is added to paragraph 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages):**

This insurance does not apply to:

1. "Personal injury" to:

- a. A person arising out of any:**
 - (1) Refusal to employ that person;**
 - (2) Termination of that person's employment; or**
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person; or**
- b. The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.**

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and**
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.**

**SINGLETON
TRAVELERS/00082**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CORPORAL PUNISHMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A—BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) and paragraph 2., Exclusions of COVERAGE B—PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" to your student arising out of any corporal punishment administered by or at the direction of any insured.

**SINGLETON
TRAVELERS/00083**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION--MEDICAL PAYMENTS TO CHILDREN
(DAY CARE CENTERS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to paragraph 2. Exclusions of COVERAGE C (Section I):

- i. To any child enrolled in a day care center.

**SINGLETON
TRAVELERS/00084**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LEAD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
CATASTROPHE UMBRELLA POLICY

PROVISIONS

This insurance does not apply to any injury, damage, loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

1. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
2. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such injury or damage, loss, cost, payment or expense; or
3. Any request, order or requirement to abate, mitigate, remediate, contain, remove or dispose of lead, lead compounds or materials or substances containing lead.

**SINGLETON
TRAVELERS/00085**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION—DISCRIMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** – is amended by adding the following additional exclusion:

(This Insurance does not apply to:)

"Bodily injury" resulting from or as a consequence of discrimination, whether intentional or unintentional, based upon a person's sex, sexual preference, marital status, race, creed, religion, national origin, age, physical capabilities, characteristics or condition, or mental capabilities or condition.

2. **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** – is amended by adding the following additional exclusion:

(This insurance does not apply to:)

"Personal injury" resulting from or as a consequence of discrimination, whether intentional or unintentional, based upon a person's sex, sexual preference, marital status, race, creed, religion, national origin, age, physical capabilities, characteristics or condition, or mental capabilities or condition.

**SINGLETON
TRAVELERS/00086**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COLLEGES AND SCHOOLS EXCLUSION—
STUDENT MEDICAL EXPENSES**

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The following exclusion is added to COVERAGE C. MEDICAL PAYMENTS (Section I – Coverages):
We will not pay expenses for "bodily injury" to any student.

**SINGLETON
TRAVELERS/00087**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLEGES AND SCHOOLS AMENDED EXCLUSION—TRANSPORTATION OF STUDENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

With respect to the transportation of students, exclusion g. of paragraph 2. Exclusions of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I – Coverages) is replaced by the following:

(This insurance does not apply to:)

- g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by, or rented or loaned to, any insured. For the purpose of this exclusion, the word hired includes any contract to furnish transportation of pupils.

**SINGLETON
TRAVELERS/00088**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLLUTION EXCLUSION – EXCEPTION FOR BUILDING HEATING EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

Subparagraph (1)(a) of the **Pollution** exclusion under Paragraph 2., **Exclusions of Bodily Injury And Property Damage Liability** Coverage (Section I – **Coverages**) is replaced by the following:

This insurance does not apply to:

POLLUTION

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dis-

persal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured.

However, Subparagraph (a) does not apply to "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.

**SINGLETON
TRAVELERS/00089**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – WAR

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion i. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions:

This insurance does not apply to:

i. War

"Bodily injury" or "property damage" arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

B. The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

2. Exclusions:

This insurance does not apply to:

War

"Personal injury" or "advertising injury" arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

regardless of any other cause or event that contributes concurrently or in any sequence to the injury.

**SINGLETON
TRAVELERS/00090**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
CATASTROPHE UMBRELLA POLICY

This insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

**SINGLETON
TRAVELERS/00091**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION — ABUSE AND MOLESTATION

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I — Coverages) and paragraph 2., Exclusions of COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY (Section I — Coverages):

This insurance does not apply to "bodily injury," "property damage," "advertising injury" or "personal injury" arising out of:

1. The actual or threatened abuse or molestation of any person by, or with the consent or acquiescence of:
 - (i) any insured,
 - (ii) any employee of the insured; or

(iii) any other person for whose acts the insured may be held legally liable; or

2. The negligent:

- (i) employment,
- (ii) investigation,
- (iii) supervision,
- (iv) reporting to the proper authorities, or failure to so report, or
- (v) retention

of any person identified in 1. above and whose conduct would be excluded by 1. above.

**SINGLETON
TRAVELERS/00092**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION WHEN TWO OR MORE POLICIES APPLY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

PROVISIONS

1. Injury, damage or loss might be covered by this policy and also by other policies issued to you by us or any affiliate. When these other policies contain a provision similar to this one, the amount we will pay is limited. The maximum that we will pay under all such policies combined is the highest limit that applies in any one of these policies.
2. This does not apply to any personal liability policy or to any policy with a policy number containing the letters CUP, EX, PRS, SPS, XS or IXL.

**SINGLETON
TRAVELERS/00093**

**INTERLINE
ENDORSEMENTS**

**SINGLETON
TRAVELERS/00094**



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE FORM – CONTRACTORS
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF
TRANSPORTATION
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
ENVIRONMENTAL HAZARD POLICY
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
ELECTRONIC MANUFACTURERS AND COMPUTER SERVICES ERRORS AND OMISSIONS
LIABILITY COVERAGE FORM
SELF-INSURED EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE FORM
SELF-INSURED EXCESS LIQUOR LIABILITY COVERAGE FORM
SELF-INSURED EXCESS EMPLOYEE BENEFITS LIABILITY COVERAGE FORM
SELF-INSURED EXCESS PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE

PROVISIONS

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of "Insured Losses" caused by certain "Acts of Terrorism" (each as defined in the Act).

In the event of an *Insured Loss*, Travelers is responsible for a deductible of one percent (1%) of Travelers "Direct Earned Premiums" (as used in the Act) for the calendar year 2001 for *Insured Losses* occurring from November 26, 2002 through December 31, 2002; seven percent (7%) of Travelers *Direct Earned Premiums* for the calendar year 2002 for *Insured Losses* occurring during calendar year 2003; ten percent (10%) of Travelers *Direct Earned Premiums* for the calendar year 2003 for *Insured Losses* occurring during calendar year 2004; or fifteen percent (15%) of Travelers *Direct Earned Premiums* for the calendar year 2004 for *Insured Losses* occurring during calendar year 2005. The Federal Government's share of compensation for *Insured Losses* in each year is 90% of the amount of *Insured Losses* in excess of Travelers deductible for that year. Travelers is responsible for the payment of the remaining 10% of *Insured Losses*. In no event,

however, will the Federal Government or any "Insurer" (as defined in the Act) be required to pay any portion of the amount of aggregate *Insured Losses* occurring in any one year that exceeds \$100,000,000,000, provided that such *Insurer* has met its deductible.

As a requirement of the Act, *Insurers* must make available "Property and Casualty Insurance" (as defined in the Act) coverage for *Insured Losses* that does not differ materially from the terms, amounts and other coverage limitations that apply to losses arising from events other than *Acts of Terrorism*. In other words, a loss will not be excluded just because it was caused by an *Act of Terrorism*; conversely, a loss will not be covered just because it was caused by an *Act of Terrorism*. The Act also requires *Insurers* to disclose to policyholders the premium charge for providing such terrorism coverage.

Please note that this Coverage Part does not contain an exclusion that specifically excludes coverage for *Insured Losses*. The charge for this exposure is included in the Coverage Part premium indicated in your policy. The charge that has been included for this Coverage Part is:

- 1% of each applicable Commercial Liability Coverage premium.

**SINGLETON
TRAVELERS/00095**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

**SINGLETON
TRAVELERS/00096**

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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TRAVELERS/00097**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTRA PLUS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM (AND EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM (WITHOUT EXTRA EXPENSE)
CAUSES OF LOSS – SPECIAL FORM

A. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is revised by adding BROADENED BUILDING COVERAGE as follows:

1. Paragraph A.1. (Covered Property) a. (Building) (2) (dealing with fixtures) is replaced by the following:

(2) You may extend the insurance that applies to described Buildings at each location to apply to:

(a) Enclosed buildings not described in the Declarations and the business personal property within them;

(b) Structures including outdoor fixtures, including but not limited to:

i. Outdoor swimming pools not part of a building and related pool equipment;

ii. Outdoor fences and signs (including outdoor signs attached to buildings);

iii. Retaining walls that are not part of a building;

iv. Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers; and

v. Unenclosed buildings; but not including bulkheads, bridges, pilings, piers, wharves, docks, dikes or dams.

2. Paragraph A.2. (Property and Costs Not Covered) p.(2) is deleted and replaced by the following:

(2) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, retaining walls that are not part of a building described in the Declarations, except

as provided by this Additional Coverage above; and

(3) Trees, shrubs or plants (other than "stock" of trees, shrubs or plants), except as provided in the Outdoor Property Coverage Extension.

The most we will pay for loss or damage is \$25,000 in total in any one occurrence, but not more than \$10,000 in total in any one occurrence for outdoor fences and signs (including outdoor signs attached to buildings).

3. Under Paragraph C. (Limits of Insurance), the limit applicable to outdoor signs attached to buildings is deleted.

4. Paragraph A.2. (Property and Costs Not Covered) Item g. (dealing with foundations) is deleted.

B. The following ADDITIONAL COVERAGES are added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

1. Architect, Engineer or Consulting Fees

We will pay for architect, engineering, consulting and supervisory fees incurred and required due to loss or damage to "covered property" at the described premises by a Covered Cause of Loss.

The most we will pay for this Additional Coverage is \$25,000 in any one occurrence.

2. Fire Protection Equipment Recharge

If fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay your cost to:

a. Refill or recharge the system with the extinguishing agents that were discharged; and

b. Replace or repair faulty valves or controls which caused the discharge.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

COMMERCIAL PROPERTY

3. Lessor's Leasehold Interest

- a. We will pay for the loss of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of loss during the term of this policy.

Covered Leasehold Interest means the difference between the:

- (1) Rent you were collecting at the described premises prior to the loss; and
 - (2) "Rental Value" of the described premises after loss or damage has been repaired or rebuilt.
- b. Covered Leasehold Interest does not include refunds or rebates of:
- (1) Prepaid rent;
 - (2) Security or other deposits made by tenants; and
 - (3) Insurance, taxes or other payments made on your behalf by tenants.
- c. "Rental Value" means the:
- (1) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
 - (2) Amount of all charges which are the legal obligations; and
 - (3) Fair rental value of any portion of the described premises which is occupied by you.
- d. The most we will pay under Lessor's Leasehold Interest Additional Coverage is the least of the following:
- (1) Your Covered Leasehold interest for the 12 months immediately following the "period of restoration" and ending with the normal expiration date of each canceled lease; or
 - (2) \$25,000 for all Covered Leasehold Interest of all tenants canceling their leases arising out of an occurrence at a described premises.

4. Ordinance or Law Coverage

- a. If a Covered Cause of Loss occurs to a Covered Building we will pay:

- (1) For loss or damage caused by enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

- (c) Is in force at the time of loss.

- (2) When the Covered Building is insured for replacement cost, the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

- (3) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning, or land use ordinance or law.

- b. We will not pay under this coverage for loss due to any ordinance or law that:

- (1) You were required to comply with before the loss, even if the building was undamaged; and

- (2) You failed to comply with.

- c. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

- d. We will not pay for increased construction costs under this coverage:

- (1) Until the property is actually repaired or replaced, at the same location or elsewhere if required by ordinance or law; and

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TRAVELERS/00099**

COMMERCIAL PROPERTY

- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- e. The most we will pay under this Additional Coverage is the least of the following:
- (1) If the property is repaired or replaced on the same premises, the amount you actually spend to:
 - (a) Demolish and clear the site; and
 - (b) The increased cost to repair, rebuild or reconstruct the property, but not more than the amount it would cost to restore the property on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
 - (2) If you elect to rebuild at another premises:
 - (a) The amount you actually spend to demolish and clear the site of the described premises; and
 - (b) The amount you actually spend to repair, rebuild or reconstruct the property, but not for more than the amount it would cost to restore the property on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
 - (3) If the property is not repaired or replaced on the same premises if required by an ordinance or law:
 - (a) The amount you actually spend to demolish and clear the site of the described premises; and
 - (b) The increased cost to replace, on the same premises, the damaged or destroyed property with other property:
 - (i) Of comparable material and quality;
 - (ii) Of the same height, floor area and style; and
 - (iii) Used for the same purpose at the new premises; or

(4) \$250,000 in any one occurrence, whichever is less.

5. Tenant Move Back Expenses

We will reimburse you for expenses you pay for Covered Move Back Expenses of tenants who temporarily vacate a portion of the building at the premises described in the Declarations.

The vacancy must have occurred while the portion of the building rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss during the term of this policy. The move back must take place within 60 days after the building has been repaired or rebuilt. Covered Move Back Expenses means only documented, reasonable and necessary expenses of:

- a. Packing, insuring and transporting business personal property;
- b. Reestablishing electric utility and communications services, less refunds from discontinued services;
- c. Assembling and setting up fixtures and equipment; and
- d. Unpacking and reshelving stock and supplies.

If the tenants have valid and collectible insurance which would pay for such Move Back Expenses, we will pay only for the amount of Covered Move Back Expenses in excess of the amount payable from such other insurance.

The most we will pay under this Additional Coverage is \$25,000 for the sum of all such expenses for all tenants arising out of any one occurrence at a described premises.

C. The following ADDITIONAL COVERAGES in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are revised as follows:

1. Debris Removal Increased Limit

The limit applicable to payment for Debris Removal is increased from \$25,000 to \$50,000 for each described premises in any one occurrence.

2. Fire Department Service Charge

The limit applicable to the Fire Department Service Charge Additional Coverage is increased to \$25,000 in any one occurrence.

**SINGLETON
TRAVELERS/00100**

COMMERCIAL PROPERTY

3. Reward Coverage

The limit applicable to Reward Coverage is increased to \$25,000.

D. The following COVERAGE EXTENSIONS are added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**1. Accounts Receivable**

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to your accounts receivable records including those on electronic data processing media (other than Coverage provided by the Electronic Data Processing "Software" and Data Coverage Coverage - Business Income and Extra Expense Extension).

a. We will pay:

- (1) Amounts due from your customers that you are unable to collect because of loss or damage to your accounts receivable records;
- (2) Interest charges on any loan required to offset amounts you are unable to collect because of loss or damage to your accounts receivable records, pending our payments of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
- (4) Other reasonable expenses that you incur to reestablish your accounts receivable.

b. We will not pay for loss or damage under this Coverage Extension caused by or resulting from:

- (1) Bookkeeping, accounting or billing errors or omissions; or
- (2) Programming errors or faulty machine instructions.

c. We will not pay for loss or damage that requires:

- (1) An audit of records;
- (2) An inventory computation; or
- (3) A profit or loss computation; to prove its factual existence.

d. Loss or damage must be caused by or result from a Covered Cause of Loss:

Exclusions B.1.b.(Earth Movement) and B.1.g. (Water) of the Causes of Loss Special Form do not apply to this Coverage Extension.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

2. BROADENED PERSONAL PROPERTY COVERAGE EXTENSION is added as follows:**a. Personal Effects and Personal Property of Others**

The Personal Effects and Property of Others Coverage Extension is replaced by the following:

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to the following types of property:

- (1) Personal effects owned by you, your officers, partners, employees, volunteers, clients, patrons, or your enrolled students.
- (2) Personal property of others in your care, custody or control.

b. Miscellaneous School Property

If this policy insures a school, headstart, or daycare you may extend the insurance that applies to Your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to Miscellaneous School Property.

Miscellaneous School Property means musical instruments, band uniforms and equipment, theatrical property including scenery and costumes, and athletic equipment while at school sponsored events within the Coverage Territory, as stated in the Commercial Property Conditions. This coverage also applies to school sponsored events outside the Coverage Territory for a period of not more than 30 days.

c. Property at Undescribed Premises

You may extend the insurance provided by Your Business Personal Property to apply to Your Business Personal Property that is at a location you do not own, lease

SINGLETON

TRAVELERS/00101

CP T3 63 09 99

COMMERCIAL PROPERTY

or regularly operate. This Extension does not apply to:

- (1) Property in or on a vehicle;
- (2) Property at any fair or "exhibition";
- (3) Property at an installation premises; or
- (4) Property temporarily at a location for more than 90 consecutive days.

"Exhibition" means the temporary display of personal property at a convention, exposition, trade show or similar event at a location you do not own or regularly control.

d. Personal Property In-Transit and Theft From an Unattended Vehicle

- (1) You may extend the insurance provided by Your Business Personal Property to apply to Your Business Personal Property in transit more than 500 feet from the described premises. Property must be in a motor vehicle you own, lease or operate while between points in the coverage territory.

This Extension does not apply to property in the care, custody or control of your sales representatives or to tools, equipment, supplies and materials used for service or repair of your business.

- (2) Loss or damage must be caused by or result from one of the following causes of loss:
 - (a) Fire, lightning, explosion, wind-storm or hail, riot or civil commotion, or vandalism; or
 - (b) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed; or
 - (c) Theft of Covered Property from an unattended vehicle if, at the time of entry, all of the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the theft was a result of forced entry; or

- (d) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

e. Extended Warranties for Personal Property

- (1) We will pay a proportion of your original cost of non-refundable extended warranties, maintenance contracts, or service contracts that you purchased which are invalidated by the direct physical loss or damage and subsequent replacement of covered personal property.
- (2) We will determine the proportionate values by:
 - (a) multiplying the original cost by the number of days from the loss or damage to the expiration of the warranty or contract, and
 - (a) dividing the amount determined in a. above by the number of days from the inception date of the extended warrantee, maintenance contract or service contract to the expiration of the warranty or contract.

The most we will pay for loss or damage under Broadened Personal Property Coverage Extension is \$50,000 for the sum of all losses occurring during the policy period. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The most we will pay for Theft of Covered Property from an unattended vehicle is \$2,500 in any one occurrence.

3. Building Glass

- a. The insurance provided by the Building and Personal Property Coverage Form is extended to cover damage to glass that is part of a building or structure described in the Declarations. This coverage applies to all glass in exterior walls of a described building (including all lettering and ornamentation).
- b. We will also pay for necessary expenses incurred to:
 - (1) Put up temporary plates or board up openings,

COMMERCIAL PROPERTY

- (2) Repair or replace encasing frames.
- (3) Remove or replace obstructions.
- c. Item C.2. Limitations (dealing with glass) of the Causes of Loss – Special Form is deleted.

4. Electronic Data Processing Equipment Coverage

- a. You may extend the insurance that applies to Business Personal Property to apply to loss or damage by a Covered Cause of Loss to:
 - (1) Your electronic data processing equipment and its component parts; and
 - (2) Your data stored on disks, film, tapes, or similar electronic data processing media; the media itself; computer programs and instructions.
- b. We will not pay for "loss" caused by or resulting from any of the following:
 - (1) Programming errors, omissions or incorrect instructions to the machine.
 - (2) Failure, fluctuation or interruption of electrical power or any other utility service supplied to a described location, however caused, if the failure, fluctuation or interruption originates more than 1000 feet from the building containing the property to which the "loss" occurs.
 - (3) Unexplained disappearance. But, this exclusion does not apply to property in the custody of a carrier for hire.
 - (4) Any cause of loss to property you lease or rent from others for which you are not responsible under the terms of any lease or rental agreement.
- c. Causes of Loss – Special Form, Exclusion B.2.a. (Electrical Disturbance), and Exclusion 2.d.(6) (Mechanical Breakdown) do not apply to this Coverage Extension.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

5. Electronic Data Processing "Software" and Data Coverage – Business Income and Extra Expense

- a. We will pay your necessary and reasonable "Extra Expenses" to continue your normal business operations following loss or damage to your electronic data processing "software" from a Covered Cause of Loss (Other than reproduction of data or software as provided in Accounts Receivable – Coverage Extension and as provided by the Valuable Papers – Coverage Extension). We will also pay for your actual lost "Business Income" you sustain due to the necessary suspension of your operations during the "period of restoration" (Other than reproduction of data or software as provided in Accounts Receivable – Coverage Extension and as provided by the Valuable Papers – Coverage Extension). The suspension must be caused by direct physical loss of or damage to your electronic data processing "software" at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
- b. The following is added to Property and Costs Not Covered as respects this Coverage Extension:
 - (1) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts and other documents unless they are in the form of "software" and then only in that form.
 - (2) "Software" which cannot be replaced with other of the same kind or quality.
- c. The following is added to Valuation as respects this Coverage Extension:

"Software" will be valued at the cost to reproduce the "software". But if it is not reproduced or replaced, we will only pay the blank value of the "software".
- d. Exclusions B.2.a. (Electrical Disturbance) and B.2.d.(6) (Mechanical Breakdown) of the Causes of Loss Special Form do not apply to this Coverage Extension.

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TRAVELERS/00103**

e. The following Definitions are added as respects this Coverage Extension:

(1) "Business Income" means the:

- (a) Net income (net profit or loss before income taxes) that would have been earned had no loss or damage occurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

(2) "Extra Expense" means necessary and reasonable expenses you incur to avoid or minimize the suspension of business that you would not have incurred if there had been no direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

(3) "Period of Restoration" means the period of time that:

- (a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

(4) "Software" means data processing media made up of all forms of converted machine readable data, programs and instruction materials used in your business operations, including the materials on which the data is re-

corded such as tapes, disks, or cards including property of others that you hold in any capacity or for which you are responsible.

The most we will pay under this Coverage Extension is \$25,000 in total in any one occurrence.

6. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to Fine Arts caused by a Covered Cause of Loss at the premises described in the Declarations.

a. Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

b. The value of Fine Arts will be the market value at the time of loss. If the damaged article is part of a pair or set, you may choose one of the following methods for settling the loss:

- (1) The market value of the entire pair or set provided you return the remaining pieces to us; or
- (2) The cost to repair the damaged pieces and you will keep the undamaged pieces. If the pair or set, with the repaired pieces has lower value than it had before the loss, we will also pay the difference. In no event will we pay more than the value of the pair or set had before the loss; or
- (3) The market value of the lost or damaged pieces before the loss when the pieces cannot be found or repaired and you will keep the undamaged pieces. If the remaining pieces have a reduced value, we will pay the difference between the value of the remaining pieces before the loss and after the loss. In no event will we pay more than the value of the pair or set had before the loss.

The most we will pay under this Coverage Extension for loss or damage is \$25,000 at any one described premise.

**SINGLETON
TRAVELERS/00104**

COMMERCIAL PROPERTY

7. "Money and Securities"

a. You may extend the insurance that applies to Your Business Personal Property to apply to "money" and "securities" owned by you. The most we will pay under this Coverage Extension is:

- (1) \$25,000 at each described premises;
- (2) \$25,000 within a bank or savings institution;
- (3) \$25,000 while in the custody of a "messenger" en route to or from the described premises, a bank or savings institution; or
- (4) \$25,000 within the living quarters of a "messenger" in (c) above.

b. Exclusions B.1.b.(Earth Movement) and B.1.g. (Water) and Limitation C.1.e (Property that is missing) of the Causes of Loss - Special Form do not apply to this Coverage Extension.

c. The following Definitions are added as respects this Coverage Extension:

- (1) "Messenger" means you, any of your partners, any employee or volunteer while having care and custody of property away from the described premises.
- (2) "Money" means:
 - (a) Currency, coins, and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (3) "Securities" means negotiable and nonnegotiable instruments or contracts representing either money or other property and includes:
 - (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 - (c) but does not include "money" or Lottery tickets held for sale.

8. Reimbursement of Master Key Costs

a. You may extend the insurance that applies to the Building and Personal Property Coverage Form to apply to direct physical loss or damage to a master or grandmaster key by a Covered Cause of Loss. This coverage applies to the actual cost of new keys including the cost of adjusting locks to accept them; or, if necessary, new locks including the cost of installation.

b. Exclusion B.2.h. (dealing with dishonesty and fraudulent acts) found in the Causes of Loss - Special Form does not apply to this Coverage Extension as respects your employees and agents.

c. Limitations C.1.e. (dealing with missing property) and g. (dealing with unauthorized transfer of property) found in the Causes of Loss - Special Form do not apply to this Coverage Extension.

The most we will reimburse you under this Coverage Extension is \$5,000 in any one occurrence and \$15,000 in total for all occurrences in any one policy year.

9. Utility Services - Direct Damage Coverage

We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

a. Water Supply Services, meaning the following types of property supplying water to the described premises:

- (1) Pumping Stations; and
- (2) Water mains.

b. Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:

- (1) Communication transmission lines including fiber optic transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays, except satellites.

It does not include overhead transmission lines.

**SINGLETON
TRAVELERS/00105**

CP T3 63 09 99

COMMERCIAL PROPERTY

- c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (3) Switching stations;
- (4) Substations;
- (5) Transformers; and
- (6) Transmission lines.

It does not include overhead transmission lines.

The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence.

- E. The following COVERAGE EXTENSIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are revised as follows:

1. Newly Acquired or Constructed Property

The limit applicable to the Newly Acquired or Constructed Property Coverage Extension as respects Building(s) is increased from \$500,000 to \$1,000,000 at each building; and as respects Your Business Personal Property and Personal Property of Others the limit is increased from \$250,000 to \$500,000 in total at each location.

2. Outdoor Property

The Outdoor Property - Coverage - Extension f. is deleted and replaced with the following:

- f. You may extend the insurance provided by this Coverage Form to apply to your outdoor property on the described premises as follows:

Lawns (including fairways, greens and tees) trees, shrubs and plants (other than "stock" of trees, shrubs or plants), walks, roadways, patios, or other paved surfaces for loss or damage by the following Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft;
- (6) Falling Objects;
- (7) Sinkhole Collapse; or
- (8) Volcanic Action.

The most we will pay under this Extension is \$10,000 in total in any one occurrence, but not more than \$1000 for any one tree, shrub or plant.

3. Valuable Papers and Records

Valuable Papers and Records (Other Than Accounts Receivable) Coverage Extension is deleted and is replaced with the following:

Valuable Papers and Records (Other Than Accounts Receivable and Coverage provided by Electronic Data Processing "Software" and Data Coverage - Business Income and Extra Expense Coverage Extension)

- a. You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records (other than Accounts Receivable and coverage provided in the Electronic Data Processing "Software" and Data Coverage Coverage - Business Income and Extra Expense Coverage Extension) including those which exist electronic or magnetic media for which duplicates do not exist.
- b. The following Exclusions of the Causes of Loss - Special Form do not apply to this Coverage Extension: B.1.b.(Earth Movement), B.1.g. (Water), B.2.a. (Electrical Disturbance) and B.2.d.(6) (Mechanical Breakdown).

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

4. Extra Expense

The Extra Expense - Coverage Extension is replaced by the following:

We will pay your actual necessary and reasonable Extra Expense you sustain due to direct physical loss or damage to property at a premises described in the Declarations, caused by or resulting from a Covered Cause of Loss.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:

- a. To avoid or minimize the suspension of business and to continue "operations":
 - (1) At the described premises; or

**SINGLETON
TRAVELERS/00106**

COMMERCIAL PROPERTY

(2) At replacement premises or at temporary locations, including:

(a) Relocation expenses; and

(b) Costs to equip and operate the replacement or temporary locations;

b. To minimize the suspension of business if you cannot continue "operations"; or

(1) To repair or replace any property; or

(2) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage.

c. Special Exclusions a.(3), a.(4) and a.(5) of the Causes of Loss - Special Form apply to this Coverage Extension.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

5. Claim Data

The limit applicable to the Claim Data Coverage Extension is increased from \$1,000 to \$10,000.

F. The following is added to ADDITIONAL CONDITIONS of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

3. Unintentional Errors in Description

Your error in how you describe the address of a location in the Declarations shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

G. The following ADDITIONAL COVERAGE EXTENSION is added to the CAUSES OF LOSS - SPECIAL FORM:

5. Water Damage

Water Damage, Additional Coverage Extension is added to the Causes of Loss - Special Form:

With respect to covered property, we will pay for loss or damage caused by or resulting from:

a. Water that backs up or overflows from a sewer, drain or sump; or

b. Water under the ground surface pressing on or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

c. Exclusion B.1.g.(3) (dealing with sewer and drain back-up) is deleted.

d. Exclusion B.1.g.(4) (dealing with underground water) is deleted.

e. Item C.1.c. of the Limitations is revised to include:

(3) The loss or damage is caused by or results from water that backs up or overflows from a sewer, drain or sump; or

(4) The loss or damage is caused by or results from water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

f. Item F.2.c. of the Definitions as respects "Specified Causes of Loss" - Water Damage is deleted and replaced with the following:

c. Water damage means:

(1) Accidental discharge of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam;

(2) Water that backs up or overflows from a sewer, drain or sump; or

(3) Water under the ground surface pressing on, or flowing or seeping through:

i. Foundations, walls, floors or paved surfaces;

ii. Basements, whether paved or not; or

iii. Doors, windows or other openings.

The most we will pay for loss or damage under this Coverage Extension is 10% of the

SINGLETON

TRAVELERS/00107 CP T3 63 09 99

COMMERCIAL PROPERTY

limit(s) of insurance shown for Building(s) separately at each affected described premises shown in the declarations and 10% of the limit(s) of insurance shown for Personal Property separately at each affected described premises shown in the Declarations, but not more than \$100,000 in total in any one policy year. Loss of Business Income or Extra Expense does not apply to this Coverage Extension.

H. When the BUSINESS INCOME COVERAGE FORM (AND EXTRA EXPENSE) or the BUSINESS INCOME COVERAGE FORM (WITHOUT EXTRA EXPENSE) is attached to this policy, BROADENED BUSINESS INCOME COVERAGE is added as follows:

1. Extended Business Income

The Additional Coverage - Extended Business Income 30 consecutive days is revised to 90 consecutive days.

2. Loss of Business Income - Dependent Properties

We will pay for actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss or damage at the premises of a "dependent property", caused by or resulting from a Covered Cause of Loss.

- a. This Additional Coverage does not apply to "dependent property" for which you have more specific insurance either under this policy or another.
- b. This Additional Coverage applies to "dependent property" located within the Coverage Territory as stated in the Commercial Property Conditions.
- c. "Dependent property" means property operated by others you depend on to:
 - (1) Deliver materials or services to you, or to others for your account (Contributing Locations). With respect to Contributing Locations, services does not mean water, communications or power supply services;
 - (2) Accept your products or services (Recipient Locations);
 - (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

- (4) Attract customers to your business (Leader Locations).

3. Utility Services - Time Element

We will pay for the loss of Business Income and/or Extra Expense you incur due to the necessary suspension of your "operations" during the "period of restoration" as a result of direct physical loss or damage by a Covered Cause of Loss to property not at the premises described in the Declarations but used to supply you with services by the following utilities:

- a. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping Stations; and
 - (2) Water mains.
- b. Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites.

It does not include overhead transmission lines.

- c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines.

It does not include overhead transmission lines.

4. Ingress or Egress Coverage

We will pay for the actual loss of Business Income you sustain and, if included, reasonable and necessary Extra Expense due to the necessary suspension of your "operations", when the ingress or egress to or from a described premises is prevented as a direct result of loss or damaged by a Covered Cause of Loss. The loss or damage by a Covered

SINGLETON

TRAVELERS/00108 Page 11 of 12

COMMERCIAL PROPERTY

Cause of Loss preventing ingress or egress must occur within one mile of the described premises. This coverage will apply up to 30 consecutive days from the date when the ingress or egress is denied.

Under Broadened Business Income Coverage, the most we will pay under Extended Business Income, Loss of Business Income – Dependent Property, and Ingress or Egress Coverage is \$150,000 for the sum of all losses during the policy period. The most we will pay under Utility Services – Time Element Additional Coverage is \$15,000 in any one occurrence.

- I. The NAMED INSURED shown in the DECLARATIONS is amended as follows:

The Named Insured will include any subsidiary company (including subsidiaries thereof) of the named Insured and any other entity which the

Named Insured owns, operates or controls, and any other entity which was or may hereafter be acquired or formed.

As respects Building coverage, the Named Insured is amended to include any person or organization that rents a building to you if you are required by lease agreement or any other written contract to provide such insurance for the interest of the building owner.

- J. Common Endorsement Provisions

Each of the coverage limits under this endorsement is additional insurance unless otherwise specified.

The Building and Personal Property Coverage Form, F. (Additional Conditions), 1. (Coinsurance), does not apply to insurance provided by this endorsement.

**SINGLETON
TRAVELERS/00109**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value

applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

**SINGLETON
TRAVELERS/00110**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
FORM
STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.

**SINGLETON
TRAVELERS/00111**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A), forgery or alteration (Coverage Form B), or public employee dishonesty (Coverage Forms O and P).

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less:

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies in Effect For More Than 60 Days

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

**SINGLETON
TRAVELERS/00112**

(4) Discovery of willful or grossly negligent acts or omissions, of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a.(1) or 3.a.(2); or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the Cancellation Common Policy Condition:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Businessowners Policy

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.

b. We may not cancel this policy solely because the first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Businessowners Policy – Businessowners Special Property Coverage Form;

(2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

**SINGLETON
TRAVELERS/00113**

- C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Businessowners Policy

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:
- b. We will not refuse to renew such coverage solely because the First Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes but is not limited to, a condition in which we make claims and payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.
- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Businessowners Policy – Businessowners Special Property Coverage Form;
- (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

**SINGLETON
TRAVELERS/00114**

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

**SINGLETON
TRAVELERS/00115**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the

conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**SINGLETON
TRAVELERS/00116**

One Tower Square, Hartford, Connecticut 06183

Travelers

LENDER'S CERTIFICATE OF
INSURANCE - FORM A
Issue Date: 09-19-03

Policy Number: X-660-333X9953-TCT-03

1. **CERTIFICATE HOLDER:** TEXTRON BUSINESS CREDIT, ISAOA
275 WEST NATICK ROAD
WARWICK RI 02886

2. **NAMED INSURED:** LOVE AND CARE PRESCHOOL,
LA VELDA SINGLETON, DBA:
8010 HOLANDA LANE

DUBLIN CA 94568

3. **CERTIFICATION** - We certify that we have issued the policy to the Named Insured for the policy period as identified in this Certificate. Notwithstanding any requirements, terms or conditions of any contract or other document with respect to which this Certificate may be issued, the insurance is that which we customarily provide for the coverage indicated in item 6. below. This Certificate is issued as a matter of information only and does not amend, extend or alter the coverage afforded by the policy.

4. **POLICY PERIOD:** 11-23-03 to 11-23-04

5. **INSURING COMPANY:** THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

6. **INSURANCE**

Buildings or Personal Property - The policy names the Certificate Holder as a Loss Payee, according to its Loss Payable Provisions (copy attached), for the property described below:

Loc. No.	Bldg. No.	Description of Property	Limit of Insurance	Ded.
1	1		\$	\$ 500

Coverage - Covered Causes of Loss: ☐ Basic Form ☐ Broad Form ☒ Special Form
☐ Deluxe Property Form

7. **SPECIAL PROVISIONS** (if any):

SINGLETON
TRAVELERS/00117

8. **NOTICE OF CANCELLATION** — If we elect to cancel the policy or the Coverage Part which applies to the property described in item 6. of this Certificate, we will mail to the Certificate Holder written notice at least 10 days before the date our cancellation takes effect. If more than 10 days notice to the Certificate Holder is provided in this Certificate or is required by law, we will mail written notice according to such provision or requirement.
9. **DEFINITIONS** — As defined in the policy, the words "we," "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations of the policy.

BY: _____

Signature of Authorized Representative

One Tower Square, Hartford, Connecticut 06183

Travelers

**LENDER'S CERTIFICATE OF
INSURANCE - FORM A**

Issue Date: 09-19-03

Policy Number: X-660-333X9953-TCT-03

1. **CERTIFICATE HOLDER:** RAMON ORTEGA AND DEBBRA A. ORTEGA
6315 SUDDARD COURT
PLEASANTON CA 94588
2. **NAMED INSURED:** LOVE AND CARE PRESCHOOL,
LA VELDA SINGLETON, DBA:
8010 HOLANDA LANE
DUBLIN CA 94568
3. **CERTIFICATION** - We certify that we have issued the policy to the Named Insured for the policy period as identified in this Certificate. Notwithstanding any requirements, terms or conditions of any contract or other document with respect to which this Certificate may be issued, the insurance is that which we customarily provide for the coverage indicated in item 6. below. This Certificate is issued as a matter of information only and does not amend, extend or alter the coverage afforded by the policy.
4. **POLICY PERIOD:** 11-23-03 to 11-23-04
5. **INSURING COMPANY:** THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

6. INSURANCE

Buildings or Personal Property - The policy names the Certificate Holder as a Loss Payee, according to its Loss Payable Provisions (copy attached), for the property described below:

Loc. No.	Bldg. No.	Description of Property	Limit of Insurance	Ded.
1	1		\$	\$ 500

Coverage - Covered Causes of Loss: ☐ Basic Form ☐ Broad Form ☒ Special Form
☐ Deluxe Property Form

7. SPECIAL PROVISIONS (if any):

SINGLETON
TRAVELERS/00119

8. **NOTICE OF CANCELLATION** — If we elect to cancel the policy or the Coverage Part which applies to the property described in item 6. of this Certificate, we will mail to the Certificate Holder written notice at least 10 days before the date our cancellation takes effect. If more than 10 days notice to the Certificate Holder is provided in this Certificate or is required by law, we will mail written notice according to such provision or requirement.
9. **DEFINITIONS** — As defined in the policy, the words "we," "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations of the policy.

BY: _____
Signature of Authorized Representative

SINGLETON
TRAVELERS/00120

One Tower Square, Hartford, Connecticut 06183

Travelers

LENDER'S CERTIFICATE OF
INSURANCE - FORM B
Issue Date: 09-19-03

Policy Number: X-660-333X9953-TCT-03

1. CERTIFICATE HOLDER: TEXTRON BUSINESS CREDIT, ISAOA
275 WEST NATICK ROAD
WARWICK RI 02886

2. NAMED INSURED: LOVE AND CARE PRESCHOOL,
LA VELDA SINGLETON, DBA:
8010 HOLANDA LANE

DUBLIN

CA 94568

3. CERTIFICATION - We certify that we have issued the policy to the Named Insured for the policy period as identified in this Certificate. Notwithstanding any requirements, terms or conditions of any contract or other document with respect to which this Certificate may be issued, the insurance is that which we customarily provide for the coverage indicated in item 6. below. This Certificate is issued as a matter of information only and does not amend, extend or alter the coverage afforded by the policy.

4. POLICY PERIOD: From 11-23-03 to 11-23-04

5. INSURING COMPANY: THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

6. INSURANCE

Buildings or Buildings Under Construction - The policy names the Certificate Holder as a Mortgagee, according to the Mortgage Holder Conditions on page 2, for the buildings described below:

Loc. No.	Bldg. No.	Address	Limit of Insurance	Coins %
1	1	8010 HOLANDA LANE DUBLIN CA 94568	\$ 218,500	90

Coverage - Covered Causes of Loss: ☐ Basic Form ☐ Broad Form ☒ Special Form
☐ Deluxe Property Form

7. SPECIAL PROVISIONS (if any)

SINGLETON
TRAVELERS/00121

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Page 1 of 2

8. **DEFINITIONS** — As defined in this policy, the words 'we,' 'us' and 'our' refer to the Company providing this insurance. The words 'you' and 'your' refer to the Named Insured shown in the Declarations of the policy.

BY: _____

Signature of Authorized Representative

MORTGAGE HOLDER CONDITIONS — BUILDINGS ONLY

- a. The term, mortgage holder, includes trustee.
 - b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as their interests may appear.
 - c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
 - d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.
- All of the terms of this Coverage Part will then apply directly to the mortgage holder.
- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part;
 - (1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.
- At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

**SINGLETON
TRAVELERS/00122**

SUM-100

SUMMONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):
SEE ATTACHMENT

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
La Velda Singleton, dba Love and Care Preschool, an individual

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

ENDORSED
FILED
ALAMEDA COUNTY

FEB 19 2008

CLERK OF THE SUPERIOR COURT

By _____ Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/selfhelp/espanol/), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.courtinfo.ca.gov/selfhelp/espanol/) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:
(El nombre y dirección de la corte es):
Alameda County Superior Court
1225 Fallon Street
Alameda, CA 94612

CASE NUMBER:
(Número del Caso): 08371914

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Francis X. Doherty and J. Edward Kerley, 999 Fifth Avenue, Suite 400, San Rafael, CA 94901. 415.453.2300

DATE: FEB 19 2008 Clerk, by: P. Bir Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

(SEAL)

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):

3. ☒ on behalf of (specify): TRAVELERS INDEMNITY COMPANY OF CONNECTICUT, A CORPORATION
under: ☒ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):

4. ☐ by personal delivery on (date):

ATTACHMENT TO SUMMONS

TRAVELERS INDEMNITY COMPANY OF CONNECTICUT, a corporation;
ALLYSON DELGADO, an individual; UREN HARRISON KENNEDY INSURANCE
AGENCY, a corporation; CHRIS MORTON, an individual; HOHBACK-LEWIN INC.,
a corporation; ISAM HASENIN, an individual; MURAT ZILINKI, an individual;
WALTER SPRINGS CONSTRUCTION, a corporation; TEXTRON FINANCIAL, a
corporation; BANK OF THE WEST, a corporation; and DOES 1-30.

Superior Court of California, County of Alameda



Notice of Judicial Assignment for All Purposes

Case Number: RG08371914

Case Title: Singleton VS Travellers Indemnity Company of Connecticut

Date of Filing: 02/19/2008

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

This case is hereby assigned for all purposes to:

Judge:	Cecilia P. Castellanos
Department:	18
Address:	Administration Building 1221 Oak Street Oakland CA 94612
Phone Number:	(510) 267-6934
Fax Number:	(510) 267-1506
Email Address:	Dept.18@alameda.courts.ca.gov

Under direct calendaring, this case is assigned to a single judge for all purposes including trial.

Please note: In this case, any challenge pursuant to Code of Civil Procedure §170.6 must be exercised within the time period provided by law. (See Govt. Code 68616(i); Motion Picture and Television Fund Hosp. v. Superior Court (2001) 88 Cal.App.4th 488, 494; and Code Civ. Proc. §1013.)

IT IS THE DUTY OF EACH PLAINTIFF AND CROSS COMPLAINANT TO SERVE A COPY OF THIS NOTICE IN ACCORDANCE WITH LOCAL RULE 3.135.

General Procedures

All pleadings and other documents must be filed in the clerk's office at any court location except when the Court permits the lodging of material directly in the assigned department. All documents, with the exception of the original summons and the original civil complaint, shall have clearly typed on the face page of each document, under the case number, the following:

ASSIGNED FOR ALL PURPOSES TO
JUDGE Cecilia P. Castellanos
DEPARTMENT 18

Counsel are expected to know and comply with the Local Rules of this Court, which are available on the Court's website at: <http://www.alameda.courts.ca.gov/courts/rules/index.shtml> and with the California Rules of Court, which are available at www.courtinfo.ca.gov.

The parties are always encouraged to consider using various alternatives to litigation, including mediation and arbitration, prior to the Initial Case Management Conference. The Court may refer parties to alternative dispute resolution resources.

Schedule for Department 18

The following scheduling information is subject to change at any time, without notice. Please contact the department at the phone number or email address noted above if you have questions.

- Trials generally are held: Mondays, Tuesdays, Wednesdays and Thursdays from 9:30 a.m. to 4:30 p.m.
- Case Management Conferences are held: Initial Case Management Conferences: Tuesdays, Wednesdays, Thursdays at 8:30 a.m.
- Case Management Conference Continuances: Monday through Friday at 8:45 a.m.
- Law and Motion matters are heard: Tuesdays at 4:00 p.m. and Fridays at 1:30 p.m.
- Settlement Conferences are heard: Fridays at 9:30 a.m.
- Ex Parte matters are heard: Tuesdays and Thursdays at 9:00 a.m.

Law and Motion Procedures

To obtain a hearing date for a Law and Motion or ex parte matter, parties must contact the department as follows:

- Motion Reservations
Email: Dept.18@alameda.courts.ca.gov

For all Law & Motion reservations, email Department 18 at the email address provided or fax the request to (510) 267-6990

- Ex Parte Matters
Email: Dept.18@alameda.courts.ca.gov
FAX: (510)267-6990

Tentative Rulings

The court will issue tentative rulings in accordance with the Local Rule 3.30(c). Tentative rulings will become the Court's order unless contested. Tentative rulings will be available at:

- Website: www.alameda.courts.ca.gov/domainweb, Calendar Information for Dept. 18
- Phone: 1-866-223-2244

Dated: 02/20/2008

Executive Officer / Clerk of the Superior Court

By



Deputy Clerk

CLERK'S CERTIFICATE OF MAILING

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice by placing copies in envelopes addressed as shown on the attached Notice of Initial Case Management Conference and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 02/21/2008

By



Deputy Clerk

Doherty Georgeson & Kerley LLP
 Attn: Doherty, Francis X.
 999 Fifth Avenue
 Suite 400
 San Rafael, CA 94901

Superior Court of California, County of Alameda

Singleton

Plaintiff/Petitioner(s)

VS.

Travellers Indemnity Company of Connecticut

Defendant/Respondent(s)

(Abbreviated Title)

No. RG08371914

NOTICE OF CASE MANAGEMENT CONFERENCE AND ORDER

Unlimited Jurisdiction

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD.

Notice is given that a Case Management Conference has been scheduled as follows:

Date: 07/03/2008 Time: 08:30 AM	Department: 18 Location: Administration Building Third Floor 1221 Oak Street, Oakland CA 94612 Internet: http://www.alameda.courts.ca.gov	Judge: Cecilia P. Castellanos Clerk: May Choo Clerk telephone: (510) 267-6934 E-mail: Dept.18@alameda.courts.ca.gov Fax: (510) 267-1506
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ORDERS

1. You must:
 - a. Serve all named defendants and file proofs of service on those defendants with the court within 60 days of the filing of the complaint (CRC 3.110(b));
 - b. Give notice of this conference to any party not included in this notice and file proof of service;
 - c. Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 3.724 no later than 30 calendar days before the date set for the Case Management Conference;
 - d. File and serve a completed Case Management Conference Statement (use of Judicial Council Form CM 110 is mandatory) at least 15 days before the Case Management Conference (CRC 3.725)
2. If you do not follow the orders above, you are hereby ordered to show cause why you should not be sanctioned under CRC 2.30. The hearing on the Order to Show Cause re: Sanctions will be at the same time as the Case Management Conference. Sanctions may include monetary sanctions and any other sanction permitted by law, including striking pleadings or dismissing the action.
3. You are further ordered to appear in person* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.
4. The Direct Calendar Judge will issue orders at the conclusion of the conference that should include:
 - a. Referring to ADR and setting an ADR completion date
 - b. Dismissing or severing claims or parties
 - c. Setting a trial date.

*Telephonic appearances at Case Management Conferences may be available by contacting CourtCall, an independent vendor, at least 3 business days prior to the scheduled conference. Parties may make arrangements by calling 1-888-882-6878, or faxing a service request to 1-888-882-2946. This service is subject to charges by the vendor.

CLERK'S CERTIFICATE OF MAILING

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice of Hearing by placing copies in envelopes addressed as shown hereon and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 02/21/2008.

By



Deputy Clerk